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JPRS-UWE-87-001

15 JANUARY 1987

USSR Report

WORLD ECONOMY AND INTERNATIONAL RELATIONS

No 10, OCTOBER 1986

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15 JANUARY 1987

USSR REPORT

WORLD ECONOMY AND INTERNATIONAL RELATIONS

No 10, October 1986

Except where indicated otherwise in the table of contents the following is a complete translation of the Russian-language monthly journal MIROVAYA EKONOMIKA I MEZHDUNARODNYYE OTNOSHENIYA published in Moscow by the Institute of World Economy and International Relations, USSR Academy of Sciences.

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PUBLICATION DATA

English title : WORLD ECONOMY AND INTERNATIONAL
RELATIONS No 10, October 1986

Russian title : MIROVAYA EKONOMIKA I MEZHDUNARODNYYE
OTNOSHENIYA

Author(s) :

Editor(s) : Ya.S. Khavinson

Publishing House : Izdatelstvo TsK KPSS "Pravda"

Place of Publication : Moscow

Date of Publication : October 1986

Signed to press : 12 September 1986

Copies : 27,000

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"Mirovaya ekonomika i mezhdunarodnyye
otnosheniya", 1986.

ENGLISH SUMMARY OF MAJOR ARTICLES

Moscow MIROVAYA EKONOMIKA I MEZHDUNARODNYYE OTNOSHENIYA in Russian No 10, Oct 86 (signed to press 12 Sep 86) pp 158-159

[Text] G. Morozov in the article "World Community and Fate of Humanity" discloses the concept of "world community" which reflects the basic features of the contemporary world, the main characteristics of its development, its contradictions and conflicts, that are to say the objective dialectics of present-day development. Among the variety of problems and factors characterizing the concept of world community the author examines the military, political and legal aspects. The article makes it clear that world community being a historic category and having covered a long path of evolution radically differs from the concept of the past epochs. The objective basis of the world community are formed by the vital interests and values common for entire mankind, the lofty purpose of human life itself, the right of a man to exist, the achievements of human intelligence and spiritual inheritance, the prerequisites and results of social progress. But only in our nuclear era which poses the question what is to be done to avert a nuclear catastrophe so as to save civilization this notion has acquired real content. The article criticizes the point of view of certain bourgeois scientists and the policy of bourgeois states denying the existence of the world community. The author states that the analysis of the mechanism of the world community is closely connected with the activities of the United Nations organization as well as of its main specialized organizations which play leading role in the international mechanism.

V. Kortunov in the article "New Political Thinking as the Imperative of the World Today" holds that a new chapter is opening in the history of international relations when a policy of general security and all around cooperation of all states and peoples is to succeed the age-old policy of strength with its notorious history of wars. It is necessary to renounce old stereotypes of the power policy and to map out principally new approaches to world affairs and political thinking which would meet the realities of the day. The article notes that the changes in current world affairs are so deep going and significant that they require reassessment and comprehensive analysis of all factors. The situation created by nuclear confrontation demands new approaches, methods and forms of relations between different social systems, states and regions. The article features prominently the innovatory approach of the CPSU to world policy which opens for entire humanity a new path to peace and progress. Such a policy has imbibed the rich experience of the Soviet state in its struggle for lasting, truly democratic peace and social progress of humanity. The highest criterion of true realism and new political thinking is the ability to

place the task of maintaining peace above ideological discrepancy, national selfishness, block interests and tactical calculations. Its main aim is the struggle against the nuclear menace and arms race, for the preservation and strengthening of universal peace. The author criticizes the military strategy and foreign political course of the West, the U.S. in particular, and stresses that the policy of total contention of military confrontation has no future.

Almost a year ago France suggested a large scale cooperation in R&D within the West European framework. French initiative known as EUREKA has interested many West European countries. Quite unexpectedly it soon began to adopt a real shape. A. Kudryavtsev in the paper "Origins, Realities and Prospects of the Technological Europe" summarizes trends and probable future developments of EUREKA program. During the shaping period the declaration of principles was adopted. It defines goals, priorities, criteria and basic conditions as well as the method of project implementation and coordination. Furthermore EUREKA was incorporated into the framework of existing technological cooperation in Europe. EUREKA focuses on selected high-technology projects in line with market needs. The central aim of EUREKA is to bring companies and research institutes in Europe together for a large scale transboundary cooperation in the field of high technology so as to develop products and services with a world-wide potential. Still there appeared some sceptical estimates to EUREKA'S probable success. The author considers the background of the so-called "Europessimism". He assesses strong and weak points of Western Europe in comparison with the USA and Japan. The suggested ways of liquidating the revealed gaps are also analyzed. According to the author the coordination in R&D is an imperative in today's competition. However the main obstacle to the actual realization of EUREKA are conflicts and contradictions among the participants each striving to provide for the national advantages at the expense of the partners. These contradictions are aggravated by the U.S. attempts to attract European countries to the participation in R&D for the notorious Strategic Defense Initiative which allegedly promise more advantages than Pan-European cooperation in R&D. The paper concludes that by now West European countries have not managed to stop the erosion of the economic and technological position.

The article "Problems of the Interaction of Prices, Purchasing Power of Currencies and Exchange Rates" by M. Gelvanovskiy and N. Ivanova examines the impacts of the modern monetary contradictions on the international trade terms and conditions of the other transboundary transactions as well as on the national reproduction schemes. The considerable deviations of exchange rates from the actual purchasing power of currencies are revealed and accounted for. Given the growing instability and the uneven character of the economic development of different capitalist countries the quantification of purchasing power parities of national currencies becomes a complicated task. The article contributes to the methodology of this quantification of exchange rates deviations in relation to the purchasing power of currencies on the basis of the current statistics. This is important for international comparative studies, for prognosis of exchange rates dynamics. The exchange rates formation gains special attention in the article. On the one hand it is under the influence of the national economic performance. On the other hand the external sphere is increasingly influential for the actual purchasing power of a currency. The international money market supply/demand conditions are also

the determinants of the purchasing power. The article says that the impact of the international money market on the exchange rates formation is greater than the influence of internal and world trade prices. Furthermore the reverse effect of the unstable exchange rates on prices is analyzed. Here the main emphasis is placed on the exchange rates impact on the national export competitiveness. The mounting interdependence of prices, exchange rates and purchasing power of currencies generate new contradictions in the world capitalist economy. They urge the international coordination in the monetary field and the observance of the "rules of the game". But this goal is hardly attainable with the existing interimperialist rivalry.

G. Ponedelko in the article "Financial Capital in Spain" portrays the evolutionary stages of Spanish monopoly capitalism development. The process of bourgeois democratic reforms which began in the mid-1970's appeared to be a turning point in the history of Spanish financial capital. During the recent 10-15 years Spain has accomplished the transition from the medium developed capitalism to the advanced forms of financial capital and state monopoly capitalism. Spain has also set up the modern bourgeois democratic institutional system similar to the existing structures in other West European imperialist states. The peculiarities of the concentration and centralization of production and capital processes in Spain are specified. Spanish entrepreneurship structure for example is characterized by a negligible portion of medium-size enterprises. Abundant statistical data and illustrative tables back the findings of the paper. The concentration level in banking domain is outlined too. The role of the state monopoly capital and regulation is assessed. The author pictures the Spanish strategy vised to adjust to the EC membership realities. Spain as a NATO member since 1982 and an EC member faces the necessity to adapt the guidelines of its economic advance to the requirements of Atlantic and regional integration. With the advantages of the larger market within the Common market trade structure Spain as an EC member is challenged technologically by the more advanced capitalist countries. Moreover, Spain has to revise its agricultural strategy in full conformity with the Common market agricultural policy. The costs of this adjustment can exacerbate social contradictions. Spanish working class is suffering from negative implications of Spain's participation in West European integration. Membership in NATO distracts financial resources from social needs to military purposes.

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"Mirovaya ekonomika i mezhdunarodnyye otnosheniya", 1986

CSO: 1816/2

U.S. 'OPPOSITION' TO INTERDEPENDENCE, WORLD COMMUNITY, UN HIT

Moscow MIROVAYA EKONOMIKA I MEZHDUNARODNYYE OTNOSHENIYA in Russian No 10, Oct 86 (signed to press 12 Sep 86) pp 3-15

[Article by G. Morozov: "The World Community and the Fate of the World"]

[Excerpts] The CPSU Central Committee Political Report to the 27th party congress pointed out: "The combination of the competition and confrontation of the two systems and the growing trend toward the interdependence of states of the world community is the real dialectic of modern development."

The "world ("international," as is sometimes said) community" concept has become firmly established in political vocabulary. In most general form it may be said that the world community is the sum total of states and peoples of the world. More complex is a detailed anatomy of this concept, which incorporates the existence in the modern world of different, including opposite, socioeconomic systems, the complex and diverse nature of interstate relations, the role of the international mechanism and also factors which have now assumed general significance and become an objective prerequisite and condition of the existence of peoples and states. The world community thus accumulates the main features of the modern world, the principal characteristics of its development, its contradictions, the conflicts occurring therein and so forth.

Of the set of problems and factors characterizing the international community concept, this article examines the military-political and legal aspects. Other aspects, primarily economic, which, however, require special analysis, are considered to a certain extent here, of course, also.

The vital interests and values common to all mankind, the grand purpose of human life itself and the individual's right to exist, the achievements of intelligence and the spiritual inheritance and the prerequisites and results of social progress are the objective basis of the world community.

I

The world community is by no means synonymous with "universal state," as it was repeatedly interpreted by idealist philosophers of the past and is frequently portrayed in this form or the other by contemporary Western scholars, who assert that only the creation of supranational authority and the "fusion of the will" of the rulers of all states will deliver mankind from annihilation.*

* See "The Community of States. A Study in International Political Theory," edited by J. Mayall, London, 1982, p 67.

We may speak of a world community in its limited and conditional understanding only with the appearance of a worldwide system of interstate relations. It took shape, as is known, in connection with the development of capitalism. Its growth into the imperialist phase was accompanied by the envelopment of the hitherto disarticulated world by economic, political and military means. An important part was played by the formation of the world capitalist market and, later, the world capitalist economy. These objective factors brought about the process of the globalization of international relations and the emergence of interstate relations which essentially laid the first foundations of the world community.

The evolution of this concept was reflected in the development of international law and the extension of the traditional legal rules and principles and the formation of new ones of a more universal nature. Plans for the transformation of narrow interstate alliances into international mechanisms were proposed. The first practical attempt at the creation of a relatively broad mechanism (compared with preceding ones) was the founding of the League of Nations, which was frequently called in bourgeois literature the "community of nations". As the creation of Versailles conceived mainly with anti-Soviet purposes, this attempt was unsuccessful and ended in failure.

The conversion of the hitherto spontaneous protest of the masses against the burdens of wars into the will of a proletarian state proclaiming the preservation of peace and an aspiration to disarmament as its official policy became possible only with the October victory. For the first time in the history of mankind the prerequisites of the creation of a genuine world community had begun to take shape since the people's masses has begun to exert a real influence on governments and the shaping of policy. Lenin's principle of the peaceful coexistence of states with different social systems became the sole alternative to a new war and the political and legal basis of the world community in a critical period of the development of mankind.

The first legislative enactment of Soviet power--Lenin's Decree on Peace--legally enshrined one of its most important principles--peaceability--and held up to shame the imperialist war AS THE GREATEST CRIME against mankind.

Over the years this political-legal evaluation came to be recognized increasingly extensively and after WWII acquired the force of a generally recognized principle in international law. It is significant that even the League of Nations was forced to agree to the categorization of aggressive war as an international crime.* At the time of the conclusion of the Paris Pact (Kellogg-Briand Pact), in 1928, some 63 states renounced war "as a means of national policy."

* See, for example, "Digest of Documents Pertaining to International Politics and International Law," inst. XI, Moscow, 1937, pp 74-81, 108. Back in the 1920's such an evaluation had been accepted by the Interparliamentary Union also (see, for example, "Compte rendu de la XXIII Conference tenue a Washington 7 octobre et a Ottawa, 13 octobre 1925," Lausanne, Geneve, 1926, p 49).

The world community is thus a historical category which has trodden a lengthy path of evolution and is at the current stage fundamentally different from the concept of past eras. Only in our nuclear missile age, which has posed completely anew the question of the interdependence of the world and the problem of the survivability of mankind as a whole, has it been suffused with truly real content.

II

The postwar period has been characterized by new conditions of mankind's development. They have been created primarily by the victory over the forces of fascism, the appearance of the world socialist system and the collapse of colonialism. The significance of the developed S&T revolution is exceptionally great also. The world which exists now, as the 27th CPSU Congress observed, "is a world full of hopes for never before have people been so comprehensively equipped for the further development of civilization. But also a world overburdened with dangers and contradictions prompting talk of virtually the most alarming period of history."

The objective interdependence and community of fate of mankind have led to the largely contradictory, but, nonetheless, real world community having taken shape precisely in this period. The ideals of socialism are enjoying unprecedented dissemination, and the main trends of the development of contemporary international relations testify that the future is theirs as the historically progressive force leading people to the pinnacles of the conquest of nature and to the ordinary laws of morality and justice becoming "the highest laws in relations between peoples also."* This means that the development of the ideas of genuine internationalism and mutual understanding has acquired a general perspective. The guarantee and foundation of this is the development of our country, the other socialist community states and all progressive forces. The historical significance of this aspect of the problem cannot be overestimated.

However, it does not exhaust the characterization of the modern world. The threat of nuclear catastrophe which has now arisen has confronted mankind with the choice: either to adopt decisive measures to save civilization or condemn to perdition everything living on Earth. A multitude of facts attests the reality of such a threat. For example, UNEP (the UN Environmental Program) enlisted 300 scientists from 30 countries to conduct an investigation, as a result of which it was determined that an exchange of nuclear strikes at the present time would lead in practice to the death of all mankind. The modern nuclear arsenal runs to 13,000 megatons. For "killing everyone," as the study says, 100 megatons are sufficient.

The specifications of the new types of weapons, nuclear, space-based and binary chemical particularly, have determined the appearance of truly critical conditions for the existence of life on Earth itself.

The problem of survival demands the cohesion of the world community for accomplishing cardinal tasks on the basis of new approaches. The main thing

* K. Marx and F. Engels, "Works," vol 16, p 11.

here is that the old order of things, whereby national security was based on military-technical decisions and power politics, must give way to an all-embracing system of security encompassing all spheres of international relations: military, political, economic and humanitarian.

What is required now is a renunciation of many political and military-strategic stereotypes.

The 27th CPSU Congress stressed the significance of a clear and constructive comprehension of current reality based on a political thinking corresponding to its realities. It by no means signifies abandonment of a class-based analysis of the problems of war and peace. On the contrary, it presupposes "a combination of our ideals, to use Marx's expression, and real humanism with the democratic, peace-loving aspirations of all social strata acting in defense of general interests and for the salvation of civilization."*

Comprehension of all the singularities of the new situation inevitably leads to a recognition of the complex realities of the world community which exists currently. Only its joint efforts can guarantee the future of mankind and deliverance from the threat of thermonuclear catastrophe. The "balance of terror" concept is contrary in the nuclear age to the interests of the world community.

Indisputable facts testify that the military-strategic concepts of Washington and the arms race which it is inspiring are not only incompatible with the interests of the world community but also ultimately entail for it inevitable perdition. These concepts reflect the United States' aspiration to global sway and subordination of the developing countries and the world community as a whole. Such a policy is incompatible with the vital interests of the peoples, including Americans, whom a nuclear apocalypse threatens equally with other peoples.

There is a profoundly justified ring to the conclusion contained in the CPSU Central Committee Political Report to the party congress: "...Winning an arms race, like nuclear war itself, is no longer possible.... Consequently, not only nuclear war but preparations therefor, that is, an arms race and ASPIRATION TO MILITARY SUPERIORITY OBJECTIVELY CANNOT PRODUCE POLITICAL DIVIDENDS FOR ANYONE."

The times in which we are living are times when mankind has encountered the need for the solution of problems and contradictions of planetary significance. This is feasible only by the efforts of the whole world community based on a conscientious compliance with commitments and the generally recognized rules of international law, primarily respect for the principles of equal rights and the sovereign equality of states.

The key global problem, on whose solution the fate of humanity depends, is the prevention and then exclusion of the possibility of nuclear war. The vital interests of the peoples also demand new approaches to other global problems such as those of food, environmental pollution, the peaceful

* A. Dobrynin, "For a Nuclear-Free World, Approaching the 21st Century" (KOMMUNIST No 9, 1986, p331).

conquest of space and the oceans and the depletion of natural resources. The need for the accomplishment of urgent general tasks by joint efforts is not only a most important condition of the existence and development of the human race, it is simultaneously of an objective nature also since it will necessarily prompt countries, regardless of their social system, to creative interaction and will reveal increasingly fully the interdependence of the members of the community.

The interests of the world community demand not only the renunciation by all states of the solution of interstate disputes by force and the use of economic and financial levers as means of political compulsion and the removal of discrimination in international economic relations and their restructuring on a just democratic basis but also a halt to the variety of attacks in the spirit of "psychological warfare" and every conceivable ideological diversion.

A most important objective factor bringing about the existence of the world community is the broad and equal international cooperation of states for, as has been observed, these problems can be solved only by general efforts determined by the fundamental interests of mankind as a whole and not one state or an individual group of states.

It is significant that the conclusion concerning the growing trend toward the interdependence of states of the world community drawn at the 27th CPSU Congress is shared by the most serious bourgeois scholars of the West aspiring to a sober analysis of the problems of the present day. Thus A. Bennett, the American international affairs expert, writes about "interdependence factors" and "the common values of mankind, including survival." "In order for collective security to be effective," A. Bennett observes, "the world must be regarded as indivisible, and a threat to peace, wherever, is the concern of all members of the international system."*

At the same time many bourgeois scholars, ignoring objective reality, deny the existence of a world community. States under modern international relations, the authors of the work "The Community of States. A Study in International Political Theory" assert, "do not form a community on a global level," which, they believe, may be created only by a supranational organization.**

The baselessness of such assertions is obvious. Not only the adduced arguments concerning the existence of a world community but also the fact that the legal foundation of such a community is taking shape and being perfected testifies to it, in particular. The basis thereof is the UN Charter. In addition, more than 200 multilateral international treaties registered by the United Nations have been concluded since WWII.***

* A. Le Roy Bennett, "International Organizations," New Jersey, 1984, pp 8, 14, 134.

** See "The Community of States. A Study in International Political Theory," pp 67, 70.

*** "Review of Multilateral Treaty-Making Process: Report of the Secretary General," UN Document A/35/312, 1980, p 5.

It needs to be noted particularly that in the face of obvious facts some scholars, including American even, have been forced to acknowledge that the positions of the United States are at variance and "will continue to be at variance with the views of the majority of members of the world community."* Among the numerous examples of this is Washington's decision concerning virtual refusal to continue to comply with Soviet-American treaty-legal documents concerning a limitation of strategic offensive arms--the 1972 Interim Agreement and the 1979 SALT II Treaty.

This "means," a Soviet Government statement says, "that the present American leadership has consented to an exceptionally dangerous measure in breaking down the treaty system containing the strategic nuclear arms race and thereby creating the conditions for the conclusion of new accords."

Thus in abandoning the results of cooperation between the USSR and the United States in the 1970's in the business of a halt to the nuclear arms race and a strengthening of strategic stability Washington has struck a new blow at the interests of the world community.

Evidence that the United States is prepared in its own imperial ambitions to disregard not only the interests of the world community but also those of its closest NATO allies was the American delegation's behavior at the meeting in Bern (Switzerland) in May 1986. Some 200 delegates from 35 countries discussed questions of contacts between people in the context of the Final Act of the All-European Conference. Cooperation in the humanitarian sphere is a foundation of an all-embracing system of international security. The Bern meeting was to have culminated in the approval of a summary document. Its compromise draft acceptable to all participants in the meeting had been drawn up on the basis of proposals of the neutral and nonaligned states. It had been preliminarily approved by all delegations, the American included. However, the U.S. representative then abandoned his previous position and blocked the adoption of the document, despite the persistent appeals of representatives of the allies, primarily the FRG. The work of the forum was thus frustrated. The United States' unwillingness to take a practicable step forward along the path toward the achievement of trust and a real guarantee of contacts between people and human rights was thereby demonstrated for all to see. But the significance of this fact goes beyond this.

The policy of the White House is hopeless for it is contrary to the will and aspirations of the overwhelming majority of people of the world and is being pursued in spite of the objective need for the preservation and development of humanity and the entire world community.

III

The reality of the existence of the world community at the current stage is also manifested, in particular, in the existence of an international mechanism reflecting the interdependence of its participants and designed to cater for mutually profitable cooperation. This by no means signifies that mankind has

* "The U.S., the UN and the Management of Global Change," New York, 1983, p 99.

reached a stage of harmony to whose conditions the given mechanism might correspond as being sufficiently accomplished. The contradictory nature of the current state of the world community appreciably limits its possibilities, which are embodied primarily in the activity of a whole system (there are more than 3,000 of them)* of international organizations.

It is natural that an analysis of the mechanism of the world community is connected primarily with the United Nations and its main specialized organizations. Of a practically universal nature both from the viewpoint of membership and competence, the United Nations occupies a central place in the international mechanism.

It is also necessary to point to the increasingly growing significance and efficiency of the international organizations of the socialist community, primarily CEMA and the Warsaw Pact, which were created for solving problems of cooperation and which are organizing their activity in accordance with the fundamental principles of the UN Charter and present-day international law as a whole.

It is logical that Soviet foreign policy, which is geared to the defense of the vital interests of the entire world community, attaches great significance to the international mechanism. Thus the new version of the CPSU Program observes that "...The CPSU supports the creation and use of international mechanisms and institutions, which would make it possible to find the optimum correlations of national, state interests and general interests. It supports an enhancement of the role of the United Nations in strengthening peace and developing international cooperation.

The creation of the United Nations was an important result of the victory of the anti-Hitler coalition in WWII. For the first time in history an organization designed to prevent a repetition of the disasters of war and champion the interests of the world community on the basis of genuinely democratic progressive principles of international law and international relations was founded ON BEHALF OF THE PEOPLES not in word but in deed.

The UN Charter embodied the resolve and will of the peoples "to display patience and live together, in peace with one another, as good neighbors." It is difficult to exaggerate the positive significance of the fact that the solemn-enforceable nature of the character was underpinned by the sufficient arsenal provided for therein essential for ensuring cooperation, primarily in respect of the settlement of international disputes and the struggle against aggression. The use of these measures, given the honest cooperation of the UN members, could make it an efficient international instrument and dependable guarantor of the secure development of the world community. This goal, however, has not been achieved since it has been prevented and continues to be impeded by the United States and its allies and proteges.

In characterizing the most important features of the UN Charter which have made it within certain limits a legal basis and endowed the organization with moral-political force it is necessary primarily to point to the principles

* See "Topical Problems of the Activity of International Organizations," Moscow, 1982.

of the equality of states, the impermissibility of the use or threat of force in international relations, peaceful good-neighborly and equal international cooperation, respect for state sovereignty and the impermissibility of interference in affairs which are a part of states' internal jurisdiction, the right of nations to self-determination, the duty of its members, at the decision of the Security Council, to adopt effective collective measures to avert and remove a threat to peace and acts of aggression and certain others.

The United Nations is the venue for interstate negotiations, which are so necessary for the world community, an exchange of opinions and the coordination of positions on questions of maintaining peace and international cooperation. Given certain conditions provided for in its charter, primarily given states' readiness for cooperation, this organization, as experience testifies, could be a center for specific actions.

The change in the alignment of forces in the United Nations and the United States' loss of its former positions enabling it to dictate its will to some of its members led to the passage of such most important enactments as the Declaration on the Granting of Independence to Colonial Countries and Peoples, resolutions on general and complete disarmament, prevention of the militarization of space, the banning of apartheid and all forms of racial discrimination and a whole number of others.

Such decisions were supported by the community at large. It is appropriate here to refer to the numerous mass measures in many countries organized in response to the UN decision concerning the designation of 1986 as the International Year of Peace. The aggressive policy of the United States aimed at undermining international legality and violating its commitments as a UN member appears as an obvious contrast in this light. A certain normality is manifested here for the United States' attitude toward the organization is an element of the foreign policy of American imperialism.

Recent UN General Assembly sessions have demonstrated particularly forcefully Washington's approach to the United Nations. The R. Reagan administration has canceled out the hard-earned useful experience of this international organization in the sphere of curbing the arms race in the detente years, and its policy is impeding the proper functioning of the United Nations. The United States is putting unconcealed financial pressure on it, which has led to a crisis situation in this sphere. As a whole, the annual budget of the community of nations amounts to approximately \$850 million or, in other words, as the UN secretary general observed, an amount less than the cost of a single submarine fitted with nuclear weapons. In May 1986 the budget was over \$500 million short, and the United States is responsible for roughly half this amount, what is more.

In UN circles the blame for the current situation is rightly being put on the United States, its actions being seen as a manifestation not so much of financial as political blackmail aimed at returning the organization to the past and subordinating it to its policy. At the General Assembly 40th Session, for example, the U.S. delegation voted against the financing of a world disarmament conference and supported the adoption of discriminatory measures in respect of UN Secretariat employees from the USSR and other socialist countries.

Washington is making economic assistance to this country or the other directly dependent on its behavior in the United Nations. Addressing a U.S. Senate subcommittee in May 1986, V. Walters, U.S. representative in the United Nations, declared in respect of the developing countries: "If they think they can continue to vote against the United States with impunity, they are profoundly mistaken. These times are over." V. Walters was undoubtedly referring to a law recently enacted on the initiative of Sen R. Kasten on the basis of which "aid" to certain developing countries which voted for a resolution condemning the United States' seizure of Grenada had already been suspended.

The U.S. Congress recently enacted the so-called "Kassebaum Amendment," which provides for a reduction in the contribution to the United Nations from 25 to 20 percent of its budget if the organization fails to accept Washington's categorical demands. It was not fortuitous that Assistant Secretary of State A. Keyes declared, addressing the House Foreign Affairs Committee, that "the current conditions afford us a rare opportunity to favorably revise afresh the decision-making procedure in the United Nations." He pointed out plainly that Washington's financial pressure on the organization was aimed at ensuring that the United States had the decisive say therein.

Even the United States' partners have expressed unconcealed unhappiness with the American blackmail. "The 12 EC members," a message which they sent to Secretary of State G. Shultz and the UN secretary general says, "express concern that recent legislative enactments in the United States, particularly the Gramm-Rudman Act and the Kassebaum Amendment, put serious pressure on the U.S. Administration's capacity for abiding by its commitments pertaining to an international treaty (the reference is to the UN Charter--G.M.)." Having emphasized that "incomplete fulfillment of the financial commitments will perfectly obviously damage the financial stability and proper activity of the United Nations," the EC countries "called on the U.S. Government to take the necessary steps and fulfill the commitments assumed in respect of the United Nations."

The present American leaders dislike the endeavor of the peace-loving forces to use the community of nations to advance the cause of disarmament, establish a new international economic order, solve global problems and so forth. The United States has a sharply negative attitude toward the criticism being heard in the organization against the accomplices in its aggressive policy--Israel, Chile and South Africa. The State Department invariably objects to the United Nations according to the PLO and SWAPO, which represent peoples which are fighting for their freedom and right to independent statehood in accordance with the UN Charter, official status.

Arbitrarily interpreting all protests against the policy of the United States and its proteges as the "politicization of the United Nations," Washington is demanding that its attention be concentrated on purely technical issues, an end to "protests against the free enterprise system," the establishment of State Department control over UN expenditure and so forth. It is thus a question of an endeavor to paralyze the mechanism of the world community.

It is significant that such actions are being combined with propaganda aimed at discrediting the United Nations. Unwilling to reconcile itself to the loss therein of the dominating positions of the time of the cold war, the United States is attempting to portray it as an "arena of pointless arguments" and "tyranny of an irresponsible majority" and slighting the representatives of the developing countries as unfit to participate in the United Nations.

The USSR's position is fundamentally different. And in the extremely complicated atmosphere also the Soviet Union is continuing to uphold the principles and letter and spirit of the UN Charter and struggle for the most efficient use possible of the organization for an improvement in the political climate, the prevention of thermonuclear catastrophe, the settlement of international conflicts and the preservation and expansion of international cooperation. "The efforts of the most diverse sociopolitical forces of the present day are aimed at preventing nuclear war," M.S. Gorbachev observed at a meeting with a delegation of the Socialist International Disarmament Consultative Council. "The large-scale peaceable initiatives advanced by the Soviet Union and other socialist community countries are geared to this end. They are in keeping with UN decisions expressing the views of the world community of states."

The indictments of "politicization" which Washington is leveling at the specialized institutions are completely without foundation. The development of contemporary interstate relations is being accompanied by an organic interweaving of diverse international problems, political and economic primarily. It is perfectly natural, therefore, that the international organizations of the UN system do not remain neutral in respect of acts of aggression, state terrorism and the arms race. It is this which is not to the liking of aggressive U.S. circles.

The fate of the world community and the future of mankind are directly linked with the problem of security in the world. Recognition of the seriousness of the times being experienced by the world currently is an important condition of the cohesion of the truly peaceable forces in all countries and on all continents, regardless of ideological, world-outlook and other differences. Human nature itself rejects the possibility of the extermination of life on Earth, and its preservation demands a new approach and realistic assessments of the entire system of values which have already been accumulated by civilization and which await future generations.

M.S. Gorbachev, general secretary of the CPSU Central Committee, pointed out in his reply to a letter from M. Marois, leader of the International Life Institute, that never before in the history of mankind had the problem of the salvation of life on Earth itself arisen. "And now it has arisen crudely and visibly and with brutal inexorability, in the most practical plane possible. No one can brush it aside since it concerns everyone. And, furthermore, I am convinced that it must be achieved by the efforts of our, present generation of people. We cannot and simply do not have the right to entrust the accomplishment of this task to future generations. Either we tackle it in the foreseeable historical timeframe and then free our children and grandchildren from the heavy burden of existence under the constant threat of the probable and almost instantaneous self-annihilation of mankind. Or we do not tackle it now.... And then, even if the worst does not happen, tackling it will be unimaginably difficult or impossible even."

The profound substantiation of such a formulation of the question is obvious. There is no doubt that it is shared by the vast majority of people in the world, and this is a most important condition of the success of the peace forces, triumph of human intelligence and deliverance of the world community from the threat of nuclear perdition.

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"Mirovaya ekonomika i mezhdunarodnyye otnosheniya", 1986

8850/9869
CSO: 1816/2

NEED FOR NEW POLITICAL THINKING IN NUCLEAR ERA STRESSED

Moscow MIROVAYA EKONOMIKA I MEZHDUNARODNYYE OTNOSHENIYA in Russian No 10,
Oct 86 (signed to press 12 Sep 86) pp 16-25

[Article by V. Kortunov: "New Political Thinking--Imperative of the Present Day"]

[Text] A new chapter is beginning in the history of international relations. New and entirely different from the experience with which mankind was familiar in preceding centuries and millennia. A policy of general security and the all-around cooperation of states and peoples must come to replace the perennial policy of force which inevitably engendered one war after another.

In the nuclear age, in the face of the threat of self-extermination of the human race, only such a future is conceivable for it or it may not have one at all. And before it is too late and while the world may yet be saved, it is necessary to act in this direction without delay and with all responsibility for the fate of the present and future generations of people. And for this it is essential to abandon the customary stereotypes of power politics and cultivate fundamentally new approaches to world affairs and a political thinking which would correspond to the realities of the modern world. "The changes in contemporary world development are so profound and significant," M.S. Gorbachev observes, "that they demand a reinterpretation and comprehensive analysis of all its factors. The situation of nuclear confrontation makes necessary new approaches, methods and forms of mutual relations between different social systems, states and regions."

I

The new version of the CPSU Program, the CPSU Central Committee Political Report to the 27th party congress and other recent party and state documents set forth the Soviet concept of international relations with reference to the current stage of their development. Its point of departure is an understanding of the world as a complex and contradictory, but increasingly interconnected and interdependent whole and its ultimate goal is a mission which is revolutionary in essence and scale--the creation of an all-embracing system of international security.

This concept organically blends the invariable continuity of the CPSU's foreign policy and its innovative nature. It has imbibed the entire long experience of the Soviet state in its struggle for a lasting, truly

democratic peace and the social progress of mankind. And, on the other hand, it is based on a creative analysis of the sum total of military and political, social and economic, ideological and humanitarian and global and regional problems and trends engendered by the specific conditions of the development of today's international relations. Comprehensively considering the realities of the modern world, the Soviet concept of international security corresponds to the fundamental questions which have confronted mankind. It embraces all spheres of human activity--military, political, economic and humanitarian--in their inseparable interconnection and interaction.

Not simply this change or the other is occurring in the world in our day, the world itself is becoming different. It is becoming increasingly complex and diverse. Just under 200 states interact in one way or another on the international scene. States which are very different in the internal social orders, social reference points, level of economic development, national traditions, international relations and so forth.

Not only states but also supranational structures, international organizations and political and social movements actively participate and interact in international relations today. Foreign policy has in the full meaning of this word taken to the streets and attracted to its orbit the people's masses, which now not only want but also can intervene in questions of war and peace.

At the same time, however, these questions themselves have also arisen in a new way. The Soviet Union proceeds from the belief that in the modern world there are no problems which would fatally lead to nuclear suicide. And in this sense the highest criterion of genuine realism and new political thinking is the capacity for setting the task of the preservation of peace higher than ideological disagreements, national egotism, bloc interests and tactical calculations and being able to see the future of mankind beyond all the contradictions of the present day.

Corresponding to the vital interests of all peoples, the philosophy of peace and security is encountering the growing understanding of the international community. Unfortunately, this cannot yet be said of those who are shaping the military strategy and foreign policy of the West. This applies particularly to the United States, although here also the positions of different representatives of the ruling elite are far from synonymous. Some seek no new approaches to international affairs at all, essentially proposing a perpetuation of the militarist policy of Washington which has already brought the world to the brink of nuclear catastrophe. Others are maneuvering, endeavoring to create the impression of some kind of quest for a way out of the current impasse and acknowledging through clenched teeth that nuclear war is impermissible, that it could have no winners and that there should be no struggle for military superiority in the nuclear age, but in practice offering nothing specific in exchange. Yet others, directly or indirectly criticizing such a policy, are seeking, as it were, an alternative thereto, but seeing no practical paths which could be deemed realistic under current conditions.

"Superhawks" like E. Teller, the "father" of the hydrogen bomb, reject out of hand any hopes for an improvement in the international climate. "The job of building a world based on mutual understanding and cooperation," he claims, "should, perhaps, be left to our children and grandchildren."

U.S. politicians who hold government office are not so candid. In addition, considering the public mood in favor of new constructive approaches to international affairs, they also are seemingly ready in words to keep in step with the times. "Future of U.S. Foreign Policy: New Realities and New Way of Thinking"--thus did Secretary of State G. Shultz entitle his program speech in the U.S. Senate, which was subsequently reworked into an article for the spring issue of the journal FOREIGN AFFAIRS for 1985. But having prefaced his article with such a promising announcement, the author essentially went no further than a few sentences about the importance of nuclear arms control and the desirability of a lessening of the danger of war.

Shultz sees as the future of international relations the United States and "other countries of the free world" directing events into a channel which would correspond to their ideals and goals. In Soviet-American relations the United States, in his words, must aspire to "soften the Soviet system," and in the international arena, to counter "Soviet propensities of a geopolitical nature," more simply, to freedom of maneuver to interfere in the internal affairs of other peoples. He conceives of "arms control" none other than on the basis of a modernization of the United States' strategic forces and realization of the "star wars" program. Where are the "new realities" and "new way of thinking" here? Instead of this, we see the well-known American policy of "neoglobalism" with all its accessories: nuclear blackmail, state terrorism and the ideology of world domination.

Representatives of the so-called "school of political realism," which is highly influential in the West, are attempting to formulate a position somewhat different to that of the present U.S. Administration. Understanding the hopelessness of Washington's gamble on a "crusade" essentially against the whole world, they are resorting to a variety of historical parallels and attempting to chart some other paths of the development of international relations, without going beyond here the framework of traditional bourgeois "models" like the classical 19th century "balance of power". We would recall merely H. Kissinger's book "A World Restored," which caused a stir at one time and which was frankly a panegyric to a creator of the "Holy Alliance"--the Austrian chancellor Metternich. Europe was able following the Napoleonic wars, the author argues, to create a more or less stable system of the "balance of power" of the great powers, which, as of the Congress of Vienna, stabilized international relations on the continent for almost an entire century. So why not, he suggests, update this positive experience with regard for the situation (sic)?

But attempting to bridge the gap from Metternich to our day, granted all the reservations and modifications, is a venture which is fruitless in principle inasmuch as it represents no more than a utopian idea of squeezing the new reality into outdated systems. Furthermore, the policy of "balance of power" or, as would be said now, "balance of terror" never brought peace--either in Europe or beyond.

Such concepts of international relations provide no answer to the main question of the present day--how to avoid catastrophe. To come to the point, there can in our time be only two approaches to international affairs--either a policy of peace and cooperation between peoples or a "from a position of strength" policy in its various versions, but inevitably fraught with a further exacerbation of the confrontation between states and ultimately the threat of nuclear war.

II

The realities of the present day, which leave mankind a very limited choice--either living together or dying together--demand fundamentally new approaches to world affairs.

Yet the truly tragic paradox of our time is that a dangerous discrepancy has come to light throughout recent decades between S&T thought and the political practice of certain statesmen responsible for the peoples' fate. S&T progress has rapidly gathered pace and the military-industrial complex has increasingly usurped its results in its selfish interests, but the political thinking of the West's powers that be is frozen, as it were, in the positions of yesterday. As a result mankind has approached a situation where each new step in S&T development is bringing it closer to the threat of general perdition.

At the start of 1986 the American Lockheed military concern obtained a government order for the development and creation of the new Trident 2 (D-5) missile. The explosive power of the discharge of 24 such missiles deployed on board a single submarine is the equivalent of the total yield of the means of destruction employed in all wars throughout man's history.

Only four decades separate us from Hiroshima and Nagasaki, but what an ominous path has been trodden in this short time toward the self-extinction of world civilization! And only because politicians of the West, primarily the United States, blinded by anti-Sovietism and egotistic considerations of the moment, have been unable and unwilling to see the new realities of the nuclear era, heed the voice of reason and draw the conclusions which, from the viewpoint of commonsense, would seem obvious.

Scientists who were in at the start of the modern revolution in natural science were warning long before the creation of the atomic bomb that people could come to dispose of powerful forces which would have to be handled with the greatest caution. Academician V.I. Vernadskiy wrote in 1922: "We are approaching a great revolution in the life of mankind beyond compare with all that it has experienced hitherto.... The time is not far off when man will acquire nuclear energy. Will man know how to avail himself of this power and channel it into what is good and not toward self-annihilation?"

Subsequent events confirmed the worst fears. Atomic energy first appeared to the world in the form of infernal weapons. And then another very great scientist, A. Einstein, declared: "Today the atomic bomb has changed the world completely; we know this, and people find themselves in a new situation, to which their thinking must correspond."

But it is precisely the traditional thinking of the past which remained a constant in the heads of Washington strategists possessed by the illusory idea of military superiority. Rejecting one Soviet proposal concerning the banning of atomic and hydrogen weapons after another, they initiated preparations for nuclear war. As a result nuclear potential capable of turning the entire globe to ruins was created.

However, this did not bring militarist circles to their senses. In response to the situation of nuclear deadlock they began to produce one after another obviously hare-brained but at the same time highly dangerous doctrines of "limited," "small" and "protracted" nuclear wars, meanwhile jacking up the arms race on an ever increasing scale. As a result the number of nuclear warheads has tripled, reaching 50,000, in the past 15 years alone. This arsenal is the equivalent of a million of the bombs dropped on Hiroshima. It is sufficient for raining down on mankind 6,000 wars similar to WWII.

But even this is not all. Nuclear weapons conceal not only direct but also indirect consequences in the form of a "nuclear night" and "nuclear winter," which would inevitably set in throughout the world as a result of their use. The well-known American scientist C. Sagan writes in this connection: "Even if some nuclear power were to plan in detail and carry out a nuclear first strike theoretically precluding all technical possibilities for a retaliatory strike by the enemy, even in this case it would virtually be committing suicide." It should be added that today this finding is not just the conclusion of individual scientists but the unanimous opinion of specialists of all branches of learning--physicists, economists, medical men and others--based on a multitude of facts and their comprehensive analysis.

All is as clear as could be, seemingly: the world has approached a fatal abyss threatening to swallow up modern civilization. Mankind could not survive a nuclear war. Whence, it would seem, follows a single conclusion: global war has henceforward and forever ceased to be an instrument of foreign policy. The formula of the military theorist of the last century, K. Clausewitz, which was formerly considered a classic ("warfare in its main outlines is the very policy of the pen being replaced by the sword"), has in the nuclear age become meaningless and an anachronism. For nuclear carnage precludes the possibility of once again replacing the sword with the pen, and the aggressor would inevitably share the same fate as his victim and would be condemned to burial in the common grave of human civilization.

Consequently, in the nuclear age general security may be achieved only on the path of disarmament and may be only reciprocal and only general and supported only by political means. It was such an approach which was elaborated in the documents of the 27th CPSU Congress and made the basis of recent Soviet foreign policy initiatives. "The highest wisdom," the CPSU Central Committee Political Report to the 27th party congress emphasized, "lies not in caring exclusively for oneself, even less, to the detriment of the other side. It is necessary that all feel equally secure for the fears and anxieties of the nuclear age engender unpredictability in policy and specific actions." For this reason the security of the USSR would be truly reliable on condition of the security of the United States, and the security of the United States, on condition of the security of the USSR, which, in turn, would be a most important guarantor of the security of the whole world. The Soviet Union seeks no advantages for itself and, in addition, rejects such an aspiration in principle as entirely incompatible with genuine international stability.

The problem of war and peace has assumed a truly general nature in our time. It concerns most directly all states and peoples. Were a nuclear catastrophe to be unleashed, its direct or indirect consequences would bypass no living person on the planet. The growing pace and scale of the arms race is lying as an increasingly heavy burden on all peoples. The interdependence of the modern world is increasingly eroding the boundaries between regional and global conflicts.

Ensuring mutual general security naturally predetermines also the choice of means of accomplishment of this task. Under current conditions a struggle for security is conceivable only as a purely political problem. Four decades of the nuclear era have plainly shown that no technological spurt can provide the country which sets itself such a task a stable military advantage. It was not accomplished with atomic or hydrogen weapons, missiles with separating warheads nor missile-firing nuclear submarines. The actions of one side have inevitably given rise to the counteraction of the other, the overall balance of power has been maintained, but at an increasingly high level and the possibilities of halting the arms race have become increasingly few.

The facts, unfortunately, persuade us that Washington is not losing hope of usurping the monopoly on security (and at the same time continuing the nuclear blackmail of other countries) with the aid of "superweapons," on this occasion space-based attack arms. The situation which has taken shape at the present time is in a certain sense similar to that which the world encountered 40 years ago on the threshold of the nuclear age. Then the reckless aspiration of the American "hawks," intoxicated with the show of muscle in Hiroshima and Nagasaki, to consolidate their military superiority prevented the atomic-hydrogen threat being stopped right at the start. Now, on the threshold of the space era, the same forces and with the same intentions wish to initiate the preparations for "star wars," condemning mankind as a result to a new arms race both in space and on Earth.

It should be emphasized, however, that in our day this intention is far more dangerous inasmuch as at the new stage of military-technical confrontation, if political solutions are not counterposed to it, control of events could be lost altogether. Before this happens, the Soviet leadership proposes an immediate halt to the arms race in order to switch subsequently to a radical stage-by-stage reduction in nuclear arsenals and their complete elimination by the end of the present century. And not only suggests that an accord be arrived at in this connection but is already implementing practical measures which could, finally, get the entire process of disarmament negotiations going. The seriousness and sincerity of the Soviet nuclear disarmament program are proven by the Soviet Union's extension of the unilateral moratorium on nuclear explosions until 1 January 1987.

III

However complex and contradictory contemporary international life may be, one thing is clear: the task of strengthening international security today imperiously dominates all others. At the same time, however, it is obvious that this is not an isolated problem. It can be solved only in close

interconnection with an overall improvement in the political climate. And here we once again encounter a struggle of the two directions in world politics--the policy of the forces advocating a strengthening of general security and political stability worldwide and the policy of the forces which evidently wish for neither.

Let us turn for an example to the events in connection with Libya. At a press conference following the barbaric raids by U.S. aircraft on this sovereign state President Reagan was asked: did the United States really have to drop tons of bombs just to hit one man? The U.S. President replied that he did not believe that "any of us would have shed any tears had this happened." And he added that it was the United States' intention to destroy the facilities thanks to which "this specific state" was able to "support and promote terrorism". Among such facilities were, as is known, residential neighborhoods in Tripoli and Benghazi.

Washington claims that the punitive operation against Libya and many other such American actions in various parts of the world are nothing other than struggle against international terrorism, behind which is the Soviet Union and other "communist regimes". This absurd "argument" is being used for confrontation with the USSR and for imposing its practices everywhere with the aid of aircraft carriers and marines.

The entire diversity of the modern world, given such an approach, is reduced to a primitive and completely skewed representation, as on a geographical map published in the 1950's for the junior classes of American high schools. On it the "communist countries" are colored black, the "noncommunist," white, and the "third world" countries, gray. F. Fitzgerald, a historian well known in the United States, observes that in the minds of many Americans, including those who are currently shaping Washington's foreign policy, such a map "serves, as before, as a guide to action." They see the world as an arena of struggle of the two "superpowers," assigning other countries the more than modest role of pawns in this "big game". But what then remains of peoples' sovereign rights, of international law, of the fundamental principles of the UN Charter?

"Today's world," M.S. Gorbachev emphasized at a press conference at the time of the November meeting with the U.S. President in Geneva, "is a very multi-aspectual totality of sovereign states and peoples with their own interests, their own aspirations and their own policy, traditions and dreams.... Each people's desire to realize its sovereign right in the political sphere, economic sphere and social sphere is natural.

"Whether this policy is to the liking of some people or not, it reflects the internal processes of each given country and the interests of this people or the other to which the sovereign right belongs. The right of choice--choice of path, system, methods and forms and choice of friends. This is the right of each people. If this is not recognized, I do not know how international relations can be built."

Today, as in the past, incidentally, there are no nor can there be if only two countries whose interests absolutely coincide. In our day, when dozens of new sovereign states have emerged in the international arena and the peoples have acquired a real opportunity to uphold the right to independence, this diversity of interests has become particularly great. At the same time, however, it is now more than ever that all peoples and states are united by a common interest in strengthening political, economic and humanitarian relations and, of course, primarily by joint concern to preserve life on earth.

Both trends--toward diversity and unity--are realities of our time. No one has the right to ignore them. For this reason the CPSU proceeds from the fact that primarily the principle of unconditional respect for each people's right to sovereign choice of the paths and forms of its development constitutes the political basis of an all-embracing system of international security. The Soviet Union is convinced that, given observance of this principle, a just settlement of international crises and regional conflicts, a strengthening of trust between states and the formulation of effective measures for preventing international terrorism are entirely possible if, without substituting one concept for another, this phenomenon is understood as it is rendered in any dictionary.

The Soviet concept of international security proceeds from the fact that in the modern world there are no political problems which cannot be tackled at the negotiating table given good will and consideration of the legitimate interests of all countries. And, on the contrary, any political problem inevitably leads to an impasse if this indispensable condition is violated. No power, however mighty, has the moral right to adopt unilateral decisions on which the fate of the entire world community depends and to impose by force on other peoples practices which are to its liking. However much Washington may aspire to achieve military superiority and dictate its strategic doctrines to the rest of the world, life has shown that this is unrealistic. Thus is it not time to abandon irrational political thinking and learn to see things such as they are in reality?

The Soviet Union emphatically rejects all claims to any privileges of power whatever and to "leadership" in world affairs. But something else is indisputable also. History has ordained matters such that it is the nuclear powers, primarily the USSR and the United States, which bear the main moral and political responsibility for the fate of mankind. From the podium of the 27th CPSU Congress it was proposed that the leaders of the five nuclear powers which are permanent members of the UN Security Council gather at a "roundtable" and, guided by the new or, in other words, genuinely realistic thinking, discuss what can and needs to be done to strengthen peace.

IV

The Soviet concept of all-embracing international security organically incorporates the economic sphere also. It presupposes the creation of an economic order in the world which, together with disarmament, would be a dependable foundation of international security generally. It may be said without exaggeration that if this task is not accomplished, there can be no question of a genuine stabilization of international relations. Numerous facts testify convincingly in support of such a conclusion.

A UN General Assembly special session on Africa was held not that long since in New York. It was convened for a comprehensive study of the continent's socioeconomic problems, which, as its documents point out, have recently become critical. Such a disturbing evaluation of the state of affairs in Africa is undoubtedly entirely warranted. But it could with every justification be extended to other regions of the world also in which developing countries are located.

The fate of peoples living in many countries of Africa, Asia and Latin America is truly tragic. Starvation and lack of shelter, horrifying infant mortality and epidemics and the illiteracy of hundreds of millions of people have become chronic phenomena here. Urgent problems have been without a solution for decades, and the situation is deteriorating from year to year, confirming time and again that within the framework of the outdated system of international relations which took shape back in the times of colonialism the developing countries have run out of road.

All this impels reflection on whither the policy of neocolonialism is leading the world today, what it promises for it tomorrow and what measures need to be implemented to lead the emergent countries into the road of socioeconomic progress, which is inseparably connected with the solution of the fundamental problems which now confront all mankind, including its security.

The refined system of neocolonialist exploitation is engendering a complex set of contradictions between imperialism and the developing countries. At the start of the 1980's the average per capita income level here was 11 times lower than in the developed capitalist countries. And throughout the past three decades, what is more, the gap has not only not been diminishing but, on the contrary, growing constantly. By way of nonequivalent exchange, unequal trade and overstated discount rates more than \$200 billion annually are taken from the developing countries via the pump of the transnational corporations of the United States alone.

These states' debt liabilities have reached \$1 trillion. At every step expenditure on paying off usurious interest exceeds the new receipts of capital. It is clear to everyone that the developing countries cannot repay their debts under the existing conditions. Meanwhile the debt noose is being pulled ever tighter.

The fact that the West's economic assistance to the developing countries is being linked increasingly closely with the military-political plans of the United States and the NATO bloc is giving rise to the growing concern of the world community. According to data of the Stockholm International Peace Research Institute, the emergent countries' share of the military spending of the entire capitalist world grew from 6.2 percent in 1969 to almost 15 percent in 1984. As a result per capita military appropriations in many young states are today considerably higher than in the NATO countries even. The arms race is lying as an increasingly heavy burden on the peoples of the developing world and increasingly new most acute contradictions putting the world in a fever today and fraught with even more menacing consequences in the future are piling up.

"None of this," the 27th CPSU Congress emphasized, "can go on indefinitely. We cannot, of course, hope for miracles--the situation will not be rectified of its own accord. Military force, in which the United States is putting its hopes for maintaining the status quo, defending the interests of the monopolies and the military-industrial complex and preventing further progressive transformations in the emergent countries, can only complicate the situation and give rise to new conflicts. Bags of money could become kegs of powder. But here also capitalism will sooner or later have to choose between a policy of force and shameless plunder or the possibility of cooperation on a just basis. Radical solutions are needed--in the interests of the peoples of the developing states."

The creation of an all-embracing system of international security envisages the exclusion from international practice of all forms of discrimination and a joint quest for paths of a just settlement of debt problems; the establishment of a new world economic order guaranteeing equal economic security for all states; elaboration of the principles of the use for the good of the world community, primarily the developing countries, of part of the resources which would be released as a result of a reduction in military budgets; unification of efforts in the solution of global problems, on which the fate of civilization depends.

V

In initiating the struggle for the creation of an all-embracing system of international security the CPSU is paying exceptionally great attention to its humanitarian aspects. The CPSU Central Committee Political Report to the 27th party congress mapped out the Soviet Union's fundamental approaches to the development of international interaction in this sphere. These are cooperation in the dissemination of the ideas of peace, disarmament and international security; an increase in the level of the general objective knowledgeability and mutual familiarization of the peoples with one another's life; a strengthening of the spirit of mutual understanding and concord in relations between them. The eradication of genocide, apartheid and the preaching of fascism and any other racial, national or religious exclusiveness. An expansion--given respect for the laws of each country--of international cooperation in the exercise of man's political, social and personal rights. The solution in a humane and positive spirit of questions of reunification of the family and the contracting of marriages and the development of contacts between people and organizations. The strengthening and quest for new forms of cooperation in the sphere of culture, art, science, education and medicine.

There are few in our day who would be so bold as to openly oppose these obvious demands of the times. On the contrary, the West also is talking constantly about the benefit of contracts between people, the importance of objective information, human rights and so on and so forth. And particularly diligent here is, perhaps, the Reagan administration, certifying its position as a model of the struggle for democracy and for intellectual freedom and a kind of example for general emulation.

But to return to the facts. They leave no doubt, unfortunately, that Washington's position on these problems is manifestly contrary to the general trends of world development, is at variance with public opinion and largely fails to coincide with the viewpoint even of the United States' closest NATO allies. The behavior of the U.S. delegation at the Bern meeting of experts of 35 countries on contacts between people, organizations and institutions serves as an example of such.

For the first time in the history of the Helsinki process the United States was opposed by all the other countries, including the NATO countries. Was this not a challenge to all of Europe in such an important sphere of the all-European dialogue as contacts between people? "A presumptuous disregard for the interests of all states of Europe, and not only Europe, was demonstrated by Washington's actions in Bern, as a result of which the achievement of important accords on human rights was thwarted. Only a total nonacceptance of modern realities can explain the U.S. leaders' gamble on naked force, on the nuclear fist and on terrorist plunder heavily mixed with ideological intolerance and hatred"--this was how M.S. Gorbachev described the position of the U.S. Administration in the report at the CPSU Central Committee June Plenum.

At the same time, however, the Bern forum showed graphically how acute for all the peoples of West Europe is the question of where next: either along the path of confrontation all along the line under the banner of the notorious "crusade" against socialism or along the path of the peaceful coexistence and cooperation of states of different social systems in all spheres: economic, political and humanitarian.

Each of these spheres has its own criteria acceptable for any country if it is not hatching expansionist plans against other peoples. Such a fundamental criterion in economic relations is the principle of mutual benefit. It does not infringe anyone's interests, ensures the voluntary nature of cooperation and affords each country, large and small, an opportunity to use it for its own good. Politically the cardinal demand is noninterference in one another's internal affairs. Each people and it alone has the right to be the master in its own house and to decide what social practices there will be in its country and how to conduct dealings with other peoples. In the humanitarian sphere peaceful coexistence presupposes extensive cooperation in the sphere of science and culture, contacts between people and an exchange of ideas and at the same time the right to uphold one's own philosophical outlook and political views.

The Soviet Union is convinced that the creation of an all-embracing system of international security is not only a global but also multifaceted task. It demands the joint efforts of all states and peoples and new political thinking corresponding to the realities of the modern world and the task of survival of the human race common to all. The all-around expansion of contacts between people and the strengthening of trust between them is an indispensable condition of the accomplishment of this task.

Human thought does not adapt to all that is new straight away. Encountering some phenomenon or the other which is unknown from past experience, people usually say at first: "it is improbable"; then "it is dubious, but possible"; and, finally, "it is obvious and cannot be otherwise". Ultimately the objective reality triumphs. But the more quickly it wins general recognition, the fewer the costs inevitably connected with attempts to tackle today's tasks proceeding from the stagnant ideas of yesterday.

In our time such a paradox of consciousness shows through quite often, however, in the approach of certain politicians of the West, primarily from the ranks of American "hawks," to the problem of international security. An entirely new situation has already taken shape in the world, and it insistently demands a reinterpretation of much that is customary in the military, political and other spheres of international life and new political and, in addition, philosophical thinking. But a substantial proportion of Western figures is not yet ready for this.

The CPSU's innovative approach to international affairs is opening for all mankind the way to peace and progress. Our party's struggle for an all-embracing system of international security is raising millions of people throughout the world to vigorous activity, molding in their consciousness new political thinking and increasingly isolating the aggressive circles of imperialism. Of course, this struggle will be difficult. It requires tremendous exertion and a further intensification of the political assertiveness of all peace-loving forces. It is a question of a fundamental change in the history of international relations and in all spheres of human activity in support of lasting peace, all-around cooperation between peoples and social progress.

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"Mirovaya ekonomika i mezhdunarodnyye otnosheniya", 1986

8850/9869
CSO: 1816/2

EUREKA PROJECT, OUTLOOK FOR 'TECHNOLOGICAL EUROPE' EVALUATED

Moscow MIROVAYA EKONOMIKA I MEZHDUNARODNYYE OTNOSHENIYA in Russian No 10, Oct 86 (signed to press 12 Sep 86) pp 26-40

[Article by A. Kudryavtsev: "Sources, Reality, Prospects of a 'Technological Europe'"]

[Text] About a year ago France came out with a proposal to organize wide-scale cooperation by countries of Western Europe in the sphere of the latest technology. The idea of combining scientific-technological efforts has long been hanging in the air. For this reason the French initiative, called "EUREKA," gave rise to interest among many states in the region and acquired real outlines unexpectedly quickly for a project of this scale. (Footnote 1) (See: MIROVAYA EKONOMIKA I MEZHDUNARODNYYE OTNOSHENIYE No 9, 1986, pp 93-100) However, as soon as the program began to acquire real content, contradictions between the participants in "technological Europe" began to make themselves felt. Today, when observers weigh up the successes and difficulties of the growth of "EUREKA," they are restrained in their evaluation of its initial results. The question of the paths along which scientific-technological cooperation will develop and of the nature of its results remain open.

What Is Behind the 'Europessimism'?

EUREKA surfaced in the mid-1980's. An understanding that the cumulative economic lag behind the United States and Japan was beginning to seriously threaten the region's positions in world economics and politics had grown by this time in political and business circles of West Europe. It was at that time that, following journalists' example, talk about "Europessimism" became fashionable. Paying tribute to the infection, the newspaper LE MONDE wrote (26 February 1986): "...The Cassandras could be right. Just a few more years... and there will remain of European industry ruins lost among great historical monuments and beaches for American and Japanese tourists."

Behind the deliberate dramatization of negative trends were frequently considerations far removed from an objective evaluation of the changing correlation of forces between nationally (or regionally) isolated imperialisms. It has been noted that the term "Europessimism" itself was tossed out by the American press, and at the source thereof were forces which the journal LE NOUVEL OBSERVATEUR called "technology's extreme right". In accordance with the "Californian" vision of the world, the epicenter of economic power is inexorably shifting from the Atlantic to the Pacific zone.

The Old World is being assigned the role of a kind of custodian of the West's cultural values specializing in the elaboration of models of the future lifestyle and consumption. A cynical elucidation of the motives at the basis of such futurology is contained in a report of the U.S. Commerce Department: "Many modern technology markets are now Japanese-American.... For the United States it is vitally important to preserve this situation throughout the 1980's " (Footnote 2: Quoted from P. Messine, "Liberte, egalite, modernite," Editions, "La Decouverte," Paris, 1985, p 163).

Some people were deliberately inciting the sense of alarm in order to introduce to the mass consciousness the inevitability and "lofty purpose" of the sacrifices attending the strict deflationary policy striking painfully at the standard and quality of life of the working people of West European countries. There were, finally, also those who linked "Europessimism" with the unwarranted absolutization of the economic conditions of the first half of the 1980's, which were unfavorable for the Old World. On the contrary, they hastened to see the decline in the dollar's exchange rate and subsequently the fall in the world oil price as a fundamental change in the situation in favor of West Europe. The time is not far off when because of a reverse influx of capital "industrialists the world over will start making the pilgrimage not to California or Japan but to Southern Germany and Northern Italy"--this viewpoint of the French economist M. (Gode) should be attributed more to "Eurooptimism" (Footnote 3: quoted from LE MONDE, 5 February 1986).

However, it is known that throughout the last decade West Europe began, together with the unfavorable movement of macroeconomic indicators (production, investments, employment), to lose out in the sphere of qualitative parameters of growth also. The data of foreign trade statistics point to the erosion of the region's structural competitiveness determined primarily by the rate of S&T progress. The decline in the proportion of West European exports of manufacturing industry products on markets outside of the EC, for example, is an indication of this. From 1973 through 1983 it declined in the United States from 28.7 to 19.8 percent, in the OPEC countries from 45.1 to 36.6 percent and in other developing states from 29.8 to 24 percent (Footnote 4: M. Aglietta, "Europe: la decennie de tous les dangers. Centre d'etudes prospectives et d'information internationale" [DOCUMENT DE TRAVAIL No 85, 5 September 1985, p 29]).

The fall in West Europe's share of the exports of technologically intricate products of the OECD countries--from 52 percent in 1975 to 46 percent in 1982--was particularly indicative. And, furthermore, whereas at first the Old World's share was "gobbled up" by Japan, as of the start of the 1980's, according to the calculations of the Parisbas Bank's economic service, it began to be squeezed by the United States also (Footnote 5: PARIBAS-CONJONCTURE No 11, December 1984, p 176). Indications of the incomplete nature of the structural rebuilding and the relatively slow transfer of resources to the most promising spheres of the economy may also be seen in the markedly higher proportion of long-term unemployment (with an average length of job search of 12 months and more), which in the middle of the current decade constituted almost 30 percent in the FRG and over 40 percent in France and Britain compared with 14 percent in the United States and 11 percent in Japan.

At the same time a motley and ambiguous picture emerges from the international comparisons of S&T potentials in which specialized literature abounds. First of all, it transpires that West Europe has many strong aspects also. In terms of a number of areas of fundamental research West European science is entirely comparable with American and is superior to Japanese science.

The strong technological foundation has enabled the West European Airbus aircraft as of the end of the 1970's to accomplish a breakthrough onto markets where American aircraft manufacturing corporations had held practically undivided sway. The West European carrier Ariane, which was created within the vast space program framework, is competing successfully with the United States in the launch of artificial Earth satellites, whereas aerospace industry is a weak spot of Japanese imperialism. The successes of the West European countries' power engineering and research in the sphere of thermonuclear synthesis--the JET project--are well known. In all the enumerated instances it is a question of high-tech industry--expenditure on R&D in the cost of its products is appreciably above the average indicator for industry.

What has come to be called the technology gap between West Europe on the one hand and the United States and Japan on the other is revealed in a compact group of spheres of the latest technology: electronics, biotechnology and new materials. But it is these which occupy the strategic position in the reproduction process. The said spheres are universal inasmuch as use of the results obtained in them affects practically all other spheres. The strength of the positions of this region or the other in the international division of labor ultimately depends on the degree of saturation of the economy with innovations born in these areas of technical progress.

The authors of the report of the French International Relations Institute, "RAMSES-85-86," conclude that West Europe has considerable grounds for concern. Its share of the world production of electronics products declined from 32.3 percent in 1978 to 26.3 percent in 1983, and the deficit in the trade in these products increased constantly, amounting to \$9 billion in 1983 (Footnote 6: "Rapport annuel mondial sur la systeme economique et les strategies" ["RAMSES-85-86"]. Editions "Atlas-Economica," Paris, 1985, p 285).

A particularly big gap has formed in the production of electronic components. American firms once dominated here, but as of the end of the 1970's Japanese companies which have mastered the techniques of mass production of simple semiconductor components extensively used in home electronics have made their presence felt. The "American-Japanese technology condominium" has captured the dominating positions in the production of microprocessors also, in which the United States controls over half the world capitalist market, and Japan, approximately 40 percent.

"There is a single point of departure for an analysis of West European information science--recognition of the hegemony of the American IBM," "RAMSES-85-86" diagnoses. In fact, two-thirds of the general computers sold in West Europe carry this company's trademark, whereas the three local leaders (the British ICL, the West German Siemens and the French Bull) account for only 16 percent of the regional market.

At the same time specialists believe that, given a correctly chosen strategy, the lag that has been built up can be reduced. In order to catch up with the rivals it is necessary to try to leap the simple semiconductor stage and concentrate efforts on complex microprocessors. "Professional electronics" and telecommunications facilities--two dynamic sectors in which the Old World maintains good positions--would be the market for them (Footnote 7: West Europe's share of the world production of telecommunications equipment amounts to 42 percent compared with 38 percent for the United States and less than 10 percent for Japan. The French Thomson firm is in first place in the region and third place in the capitalist world in terms of the production of radars, radio transmitters, flight control and monitoring facilities and other equipment, that is, "professional electronics"). The recent appearance of so-called "open specifications" making it possible to freely connect different makes of computers is broadening the potential opportunities for West European companies to penetrate the computer markets. But it will continue to be difficult for them to compete in the production of general computers with the American heavyweights IBM and AT&T, and on the peripherals market, with the Japanese monopolies.

Under these conditions experts consider the optimum alternative specialization in the development of information-computer systems connecting subscribers with data banks, production sectors with the decision-making centers and so forth, which will permit reliance on West Europe's advantages in the field of software (Footnote 8: "RAMSES-85-86," p 293). French firms enjoy a high reputation in the development of computer programs: in terms of total sales they occupy the top four rungs in the classification of West European enterprises of the corresponding specialization.

West Europe's lag in the sphere of biotechnology behind the United States and Japan is put at several years at the minimum. It is usually explained by West European businessmen's reluctance to consent to expenditure entailing higher-than-usual risk. In France the multiplication of the number of specialized affiliates of major chemical and pharmaceutical companies and also small promotional firms enabled the Biofutur consultative group to declare 1985 the year of the birth in the country of the industrial use of biotechnology (Footnote 9: See "Biotechnologies et bio-industries en France. Les entreprises face a la concurrence internationale". Etude realisee par L. Faibis. "Biofutur conseil," Paris, 1985). Some Fr2.6 billion have been spent on stimulation of this area of technical progress since 1982 within the framework of the national program, but it has not been possible to relieve all the bottlenecks. Inasmuch as industry and the government are continuing to invest big resources in the sector in Japan and the United States some specialists are warning that without active government support the same fate could befall West European biotechnology as has befallen microelectronics.

Introduction of new materials is becoming a condition either of maintaining the preservation of products' competitiveness or of the accomplishment even of most important economic tasks which are on the agenda. As yet the extensive use of new construction materials is being impeded by their high production costs (1 kg of steel costs the consumer FR4, 1 kg of carbon fiber up to Fr1,500 and 1 kg of ceramic fiber Fr4,000 [Footnote 10: LE POINT, 14 October 1985, p 122; LES ECHOS, 13 January 1986]), but as the volume of production grows and its costs are reduced, they will be applied extensively in the most diverse sectors--from auto manufacturing to medicine.

Meanwhile the planning commissariat calls attention to the "existence in the majority of major industrial projects of a dependence on foreign techniques of the production of new materials needed for vitally important components and parts" (Footnote 11: LE ECHOS, 31 December 1985). Only most recently has the foundation of their national production begun to be laid: the Rhone-Poulenc chemical group in conjunction with the Societe europeenne de propulsion has created plants for the production of ceramic fiber, and the Elf-Aquitaine and Pechiney companies, with the engineering assistance of the Japanese (Torey), for the production of carbon fiber. In the sphere of progressive materials, the authors of a report to the Europarlament believe, West Europe is starting practically from scratch (Footnote 12: "Rapport su la reponse de l'Europe au defi technologique moderne". European Parliament, 30 September 1985, p 41).

Economists' opinions on how to react to the disclosed lag vary. Some believe that it is simpler and cheaper to obtain the latest technology from where it already exists. A. Mink, who pretends to the role of chief ideologist of "social liberalism," writes plainly that West European enterprises "have no prospects other than to attach themselves to the American and Japanese locomotives."

Specialists who share Mink's opinion proceed from the conviction that the winner in competitive clashes is not necessarily he who is the first to create a new product but he who introduces the novelty more rapidly than others. They claim here that from the viewpoint of application of the results of S&T progress things are not that bad for West Europe. As far as technological dependence and the foreign policy pressure connected therewith are concerned, these realities are either dismissed or seen as the inevitable payment for overcoming the technology lag.

The bulk of experts, however, sees increasingly clearly that the lack of strong process stock in the high-science sectors is impeding modernization of the economy. It happens that the speed of introduction and the capacity for independent development of an innovation are closely interconnected. The insufficient maturity of the progressive sectors, which are themselves major consumers of technical innovations, is limiting the general demand for them. As a result of the interaction of supply and demand progress is being impeded in the sphere of both the creation and use of modern technology.

The spread of high-science products developed abroad is sometimes being held back by the fact that they do not correspond to the specifics of national requirements. Emphasis on the use of foreign developments entails a risk of enshrinement of the technology lag. In addition, borrowing the results of "others'" R&D is complicated by the need to maintain a foreign payments balance and the discriminatory practice of the United States restricting the allies' access to certain types of "miracle technology".

It is logical, therefore, that the lag in the degree of saturation of the economy with high-science products corresponds quite precisely to weaknesses of the production base. Three times fewer computer chips are consumed in West Europe per capita than in Japan or the United States. At the start of

the 1980's the number of installed robots per 10,000 people in work in France constituted 0.7 compared with 6 in Japan. On the other hand, in Sweden, which has organized the extensive production of its own robotics, this indicator had reached 8 (Footnote 13: "La France high tech.," editions, "Autrement," Paris, 1985, p 139).

The pronouncement of one ranking diplomat may serve to illustrate the new mood in West Europe's political circles. He declared that technological rivalry in the triangle of imperialist power centers is the second most serious problem after East-West peace.

The Imperative of Coordination

As of the start of the 1980's the increase in spending on R&D in the main West European countries has once again begun to outpace the economic growth rate, having broken the trend which had operated throughout the preceding decade toward a reduction in the share thereof in the gross domestic product. Some states have elaborated programs of an accelerated development of the high-science sectors. Simultaneously an understanding that it is becoming increasingly difficult to advance in the leading areas of the S&T revolution in isolation has matured in the West European countries. They have begun to see the lagging of international cooperation in the R&D sphere as a reason for the region's technological vulnerability.

West Europe's position from the viewpoint of the absolute amounts of spending on R&D outwardly appears a happy one: at the start of the 1980's it constituted \$52 billion (\$108 billion in the United States, \$25 billion in Japan) (Footnote 14: LE FIGARO, 9 October 1985). However, a direct comparison is hardly legitimate: the first figure represents the sum total of national expenditure, which is not without duplication and parallelism.

West European integration has had an extremely inadequate effect on the sphere of industrial policy. Each state has deemed it expedient to possess an extensive set of modern sectors. The removal of customs barriers in respect or reciprocal trade has not led to the formation of a regional industrial complex. First, the formation of the customs union did not signify a transition to the free circulation of goods and capital on the territory of the member-states. A multitude of roadblocks, among which were customs rules, lack of coordination in tax legislation, differences in consumer protection and engineering standards, the absence of a standardized procedure for determining quality and others, remained (Footnote 15: P. Moreau-Defarges, "Quel avenir pour quelle Communauté?" French International Research Institute, Paris, 1986, p 13). The impossibility of relying on a capacious market and a common area of industrial services (engineering, insurance, financing, professional consultancy), use of which is a most important factor of competitiveness, has prevented the national monopolies regarding West Europe as the priority zone of their activity (Footnote 16: The West European businessman who has resolved to take his business beyond national borders, French experts write, will encounter a lack of credit institutions acquainted with the possibilities of financing in different states; he will not find a television program or printed publication to place an ad addressed

to the "European consumer"; finally, in order to obtain advice concerning the prospects and competition on markets of the Community countries he has had to turn to... an American consulting firm [A. Bressand, C. Distler, "Le prochain monde," "Le Seuil," Paris, 1985, pp 202-203]).

Second, the conclusion of intra-European industrial alliances is being impeded by contradictions between participants in the Community. The seriousness of the struggle frequently pushes the West European monopolies into unequal alliances with their transatlantic partners. This behavior of the international monopolies is resulting in a weakening of national and, together with it, regional industry. The continued spread of this "British syndrome" has threatened to turn West Europe, as the French economist M. Aglietta put it, into the "executants of production and consumption standards formulated outside of it" and "the soft underbelly of the international subcontract system" (Footnote 17: See LE FIGARO, 1 December 1985).

The absence of a "technological Europe" has become an obstacle to the strengthening of its own research base precisely when the level of development of R&D is becoming the nerve center of interimperialist rivalry. The West European capitals have observed with unconcealed concern how Japan and the United States, taking cover behind official speeches concerning their adherence to "free" competition, but essentially in circumvention of antitrust legislation, are practicing in the sphere of the latest technology a clear-cut allocation of roles between national companies, which enjoy highly selective and preferential financing.

It is not fortuitous that voices of politicians and some business circles concerned at the deterioration in West Europe's positions in the world have been heard in the 1980's. They have called for new life to be breathed urgently into the "Eurobuilding" process, which is at a standstill. In 1985 a European Council session in Milan adopted the decision to lift by 1992 all restrictions on the movement of goods, services and capital within the Community. The formation of a common and capacious West European market--a goal which, incidentally, was proclaimed by the Treaty of Rome a little less than 30 years ago--is designed, inter alia, to spur the extensive introduction of modern technology.

Sectoral technology programs organized under the aegis of the European Communities Commission (ECC) have appeared in recent years. The first swallow was the ESPRIT program, which has been in effect in electronics since February 1984, and a West European program in biotechnology began to function at the end of 1984. Then the BRITE program in the sphere of base industrial technology and PACE in telecommunications were created. All these programs are united by a number of similar features: expenditure is shared equally between the private sector and the Community budget; access to preferential financing to stimulate intra-European cooperation is afforded only when the project includes firms from different countries; the specific projects are drawn up by ECC experts in close interaction with representatives of business circles.

In addition, the programs are concentrated at the precompetitive stage of applied R&D, when new technology may serve as the basis for the production of various end products. The latter circumstance, specialists believe, facilitates

cooperation and makes it possible to avoid complications connected with distribution of rights of ownership to an innovation among parties to the project. The programs' undoubted success has testified that there has been a revival of interest in intraregional technology cooperation among some entrepreneurial circles.

At the same time it is difficult to see the said programs as an adequate response to the technology challenge of the United States and Japan. The chronic strain on the EC budget prevents the centralized allocation of significant resources for development of the latest technology. We would point out for comparison that the 750 million ECU's which the Community intends spending over a period of 5 years on ESPRIT constituted roughly only 7 percent of IBM's spending on R&D in this same period and half the Community's annual subsidies for... sugar refining (Footnote 18: "RAMSES-85-86").

The formation of "technological Europe" is proceeding more slowly than the change in the scale and forms of stimulation of R&D in the main economic rivals. Thus, for example, the first signs of a belated reaction to the lag in microelectronics have only just been manifested in the Community, but a project for the creation by the start of the 1990's of a superpowerful fifth-generation computer, the software for which would be based not on the numerical but the logic processing of information, has been approved in Japan (1982).

Tasks and Goals of "EUREKA"

While the need to accelerate regional technological cooperation has been felt for a long time, it was an external event--the American Strategic Defense Initiative--which served as its catalyst. In Western Europe there was a clear understanding of the fact that the United States intended to make a breakthrough in the leading areas of scientific-technological progress and thus secure for a long period its own economic superiority and unconditional leadership in the entire system of relations connecting the centers of imperialist rivalry. The supporters of consolidating "Europe minor" also adopted a guarded attitude to the invitation to become involved in the American "star wars" program. They saw this invitation as an attempt to drive a wedge between the EC partners and to weaken their research potential.

Events confirmed the well-founded nature of these suspicions. In March 1985 the Reagan Administration officially questioned its allies on their attitude to participation in the Strategic Defense Initiative. It was proposed that corresponding agreements be concluded on a bilateral basis, which the clear intention of engendering a kind of competition between potential participants and making it difficult to develop a unified West European approach. At the same time the transatlantic military-industrial complex made an "assault landing" in Western Europe. Bypassing governments, the complex set about tying up contacts in the business world, buying up new technological models, and knocking together pressure groups acting in favor of participation in the "star wars" program.

In April 1985 the French foreign minister sent out a letter to his colleagues in the member-countries of the West European alliance. This contained a proposal for a program of joint research in the sphere of the latest technology under the aegis of an agency conceived especially for this

purpose. There is nothing surprising about the fact that the initiative for the program which received the name "EUREKA" came from France. The American maneuvers were immediately seen here as a "technological challenge" capable of hindering the intensification of Western Europe's unity and independence. Both the timing of its proposal and its content, initially mechanically borrowed from the priorities of the Strategic Defense Initiative, turned "EUREKA" into an alternative to the "star wars" program.

In May and June 1985 a French diplomatic mission visited many West European capitals in order to define the program's contours more precisely. In June a session of the European Council supported "EUREKA," and only a month later it was turned into a joint 17-state project at the intergovernmental conference held in Paris. Two subsequent conferences of participant states held at the level of ministers of foreign affairs and scientific research (November 1985 in Hannover and July 1986 in London) adopted a charter for "EUREKA" which fixed its goals and organizational structure and approved a large number of projects. The success of the French initiative attested to the fact that the seeds had fallen on well-prepared ground.

The general task of "EUREKA" was declared to be the organization of wide-scale cooperation in the sphere of the latest technology in order to strengthen Western Europe's positions in science-intensive spheres. "From above," the program sets out only the basic areas of cooperation, which are filled with content "from below." Bearing in mind the experience of "ESPRIT," it was recognized as expedient for individual projects to be prepared and finalized on the basis of direct ties between those firms and research institutions which are directly carrying them out. "EUREKA" thus represents a framework intergovernmental agreement and also concrete programs of scientific-technological cooperation which satisfy at least two conditions: they must be drawn up between participants from different countries and must provide for the mastery of new high-technology products, services, or production methods.

The initiators of "EUREKA" intentionally placed the project outside the EC Structure, counting on thus accelerating the process of forming a "technological Europe" and expanding its geographic zone. Apart from 12 Community states, "EUREKA" included Sweden, Switzerland, Austria, Norway, Finland, Turkey, and Iceland. Representatives from the EC Commission also participate in the work of the program's organs.

In the institutional sphere, instead of the agency which was first proposed, facilitating structures are being created which are capable of ensuring that the program functions flexibly. The highest "EUREKA" organ is the conference of ministers which is convoked twice yearly. The working organ, the secretariat, will be located in Brussels. There are seven specialists and six technical workers in its staff. It is charged with collecting and disseminating information which eases the establishment of ties between enterprises and research centers of West European countries, with coordinating all important issues with the representatives of member-countries, and so on.

"EUREKA" is filling out with concrete content. Another 62 projects approved in London have been added to the 10 confirmed in Hannover. At the same time, observers have directed attention toward the fact that "EUREKA's" diplomatic success has been embodied in industrial agreements more slowly than might have been expected. The continuing contradictions between the participants in "Europe minor" also make the program's prospects far from unclouded.

Let us start with the fact that "EUREKA" has begun to be accused of "excessive elasticity," which quite recently was counted as one of its advantages. Critics reckoned that the lack of precise contours makes the program wishy-washy and indeterminate, and interferes with seeing the priorities. (Footnote 19) (See for example: M. Poniatovski: "The New Technologies. Man's Chance." "Plon," Paris, 1986, pp 258-261; G. Robin: "Mitterrand's Diplomacy or the Triumph of Appearances, 1981-1985." "Editions de la Biebre," Les Loges-en-Josas, 1985, p 207-208) The first attempt to provide a well-developed definition of the content of "EUREKA" was made in the White Paper which France submitted to the Paris conference (Footnote 20) ("French Republic. EUREKA. Europe's Technological Renaissance." French Proposals, June 1985). This proposed the organization of cooperation around five areas which "open the door to the third millenium": "Euromatique"--microelectronics and data processing; "Eurobat"--means of automation and laser technology; "Eurocom"--telecommunications; "Eurobio"--biotechnology; "Euromat"--new materials.

The definition of main areas was supplemented by a list of 24 projects. Each of them was to be crowned by the creation of a final product in areas where Western Europe had fallen behind or where growing competition from the United States and Japan was to be guarded against. Within the framework of "Euromatique," the White Paper recommended that a "European microprocessor" be developed and put into production by 1990 in order to "put an end to the American monopoly in this sector of microelectronics"; that a supercomputer with a speed of 30 billion operations per second be created by 1992; and that the production of 64-megabyte memory elements be begun by 1995.

Meanwhile, the basic mass of proposals received from entrepreneurs are for relatively small projects. Only some of the White Paper's recommendations were embodied in practice. Among them was the French-Italian project for the creation of an automated plant using laser manipulators and optical fibers for linkage between machines and also for laser-controlled apparatus to relocate components within the plant.

Will a divide not grow up between the scale of "EUREKA's" content and that of the challenge presented to Europe by its main competitors? Replying to this question in a conversation with this correspondent, the program's assistant national coordinator, S. Gregory, stated that he saw no reason for concern. Above all, "EUREKA" had not yet reached its "cruising speed." A number of important projects which need time to be prepared are still either at the stage of feasibility assessment or at the stage preceding implementation where the principles of cooperation and the range and competence of participants is being determined. Implementation itself could begin in 1987.

In the words of S. Gregory, the French side sees the future of "EUREKA" as the "launch into orbit" of 200-300 projects of various calibers. This would be the best way of promoting regional scientific-technological cooperation and the formation of a genuinely common market. Implementation of a large number of joint projects would fulfill the function of a kind of system of "technological preferences" and would contribute to the introduction of unified norms.

However, far from everyone agrees with the above assessment. Both within and outside France one meets with the opinion that the effective results of "technological Europe" should be increased by concentrating efforts on a small number of large-scale programs. "EUREKA" is criticized for not having enough tasks capable of attracting business and scientific circles and of mobilizing public opinion. The critical comments about the scattering of resources are not always without justification, but more often than not it is big monopolist capital which is behind them, jealously watching to see that the expansion of technological ties does not go beyond the bounds of a "Europe of trusts."

There are also very different approaches to the question of the stage in the "research-production" cycle at which cooperation should be organized. According to France's official position, priority must be given to the final link in the chain, considerable expenditure being required at this stage before an already fairly mature technological idea can be embodied in a product. In the opinion of the Paris center for the study of advanced systems and technologies, such cooperation must be implemented primarily in industry and must cut out ((otsekat)) both short-term agreements and fundamental research which is removed from the commercial stage. (Footnote 2) (LE MONDE DIPLOMATIQUE, August 1985, p 17) Representatives of the FRG, on the contrary, consider that the nucleus of "EUREKA" must be made up of long-term programs involving stages in the creation of a new product which are further away from production.

The financial aspects of cooperation continue to be a vulnerable spot, this being a sphere in which a considerable gap has appeared between the partners' starting-points. Bonn and London initially spoke out against any state participation in funding the projects and proposed that the partners confine themselves to political and organizational support for it. The small countries of Western Europe came out in favor of the creation of an "investment bank" for "EUREKA," the resources of which would be formed from participants' contributions.

In the end the funding based on parity for which Paris had campaigned was approved. In accordance with this, interested firms cover no less than half of expenditure, which should thus attest to their readiness to assume responsibility for the fate of the project. The share of state funding in the form of subsidies, subsidized credits, and tax exemption may reach 50 percent of research costs, creating additional stimuli for the development of West European cooperation.

In 1985 only the French Government participated in funding "EUREKA," allocating about Fr1 billion for this purpose. In 1986 the FRG and Spain joined France on an extremely insignificant scale, while other countries did not provide for any special allocations. In this connection the new budget item through which the funding of "EUREKA" was channeled was formed not through a growth in the total magnitude of state funding of research and development, but by redistributing previously allocated funds among departments. The absence of firm budgetary obligations causes insecurity among entrepreneurs about the future of "EUREKA," which contrary to their hopes has not turned into a horn of financial plenty. The frailness of the prospects only intensifies the economic policy of the new French Government, which is planning the reduction of state expenditure and taxes in accordance with conservative practices.

For "EUREKA" to impart forward momentum to scientific-technological progress, it must rely on a firm financial base. The authors of a special report to the Europarlament consider that with outlays of less than 3 billion ECU (about FR18 billion) per year, the program would not accomplish the mission entrusted to it--to assist the "technical renaissance" of Western Europe. (I. Siyar), the French national coordinator, gave more modest assessment--FR13 billion per year. In a 5-year period this would amount to 40 percent of the amount of funds that the American Administration intends to spend for the same period for research and development within the framework of SDI. (Footnote 22) ("Report on Europe's Response to the Challenge of Modern Technology") However, the figures cited are not a forecast or much less a goal agreed on between the partners, it is only a preferable level. Meanwhile, if the situation does not change, already by the end of this year the program's financial requirements could exceed the partners' resources.

Conflicts and Contradictions

Behind unresolved technical-financial problems it is not difficult to make out the deeper conflicts of interest between the partners in "technological Europe." They have made their presence felt primarily in French-West German relations, which are called the "barometer of Euroconstruction." Its pointer is fixed on the mark "change." Verbally Bonn is for "EUREKA," but in practice evades supporting it with its authority and monetary assets. This duality reflects the existence among FRG ruling spheres of supporters of the priority development of West European cooperation and of pro-Atlanticist elements who count on privileged relations with the United States.

Official Bonn's dichotomy also has an underlying cause. A structural reorganization of industry is under way in the FRG, the features of monopolistic groups are changing, and a new industrial strategy is being drawn up that, according to an influential group of entrepreneurs, does not accord with an orientation toward alliances with the companies of other West European countries in general, and with French ones in particular. From the viewpoint of these circles asymmetry in the Paris-Bonn tandem is growing, which is associated with a definite weakening of the currency and foreign trade positions of the French side. They see "EUREKA" as an attempt to nudge West German firms toward establishing balanced ties with their partners-rivals from France.

Hence the FRG's determination to win time and to borrow more advanced American technology so as to overtake its partners in "Europe Minor," and then successfully confront rivals from Japan and the United States on the world markets. Hence also the determination of FRG concerns, whose behavior one observer has compared with the "actions of civilian snipers," to organize technological cooperation on a private monopolistic level in circumvention of "EUREKA." Thus, "Siemens" and "Philips" directly agreed to the joint development of 4-megabyte microprocessors. It is typical that the Bonn government which every time the issue of the West European program comes up discovers an "acute shortage" of funds because of the "sorry plight" of state finances, generously allocated DM320 million for this operation--exactly the same amount that France envisaged for the whole of "EUREKA." (Footnote 23) (LES ECHOS, 10 December 1985) One can agree with the Paris L'UNITE, which stated that the current FRG administration is essentially hampering the implementation of the French initiative. (Footnote 24) (See L'UNITE, No 623, 1985, p 112)

Another factor holding back the development of "EUREKA" is the actions of small states, which are afraid that Paris, Bonn, and London will take a dominant position to the detriment of their interests. The proposal that the "EUREKA" name would give priority access to state orders was not supported by Italy and the Benelux. Referring to the violation of normal conditions of competition, these states essentially did not wish to open their markets to goods and services, the decision on whose production would be made without their involvement.

It is obvious, however, that a lack of a most favored nation status in the sale of innovations developed within the "EUREKA" framework deprives it of effective levers capable of accelerating the establishment of cooperation in the sphere of advanced technologies. There is a risk that duplication could soon appear in the Community's technological programs and in "EUREKA." The EC Commission is already preparing "ESPRIT-2," intending to allocate one-third more funds than for the first sphere and to bring research closer to the production stage. Small states could make use of this situation to try to strengthen the role of EC organs in the organization of a "technological Europe" and to obtain fuller consideration of their specific interests.

From the very beginning transatlantic contradictions also had an impact on the West European program. Washington followed the birth of "EUREKA" with distrust, which was concealed by outward favor. And this is understandable. Its success could hinder the rapid and broad involvement of allies in SDI, and in the more distant future constrict the scope of international expansion by American transnational corporations.

Encouraging skeptical attitudes toward the initiative put forward by France, Washington reasonably counted on support from entrepreneurs closely associated with the United States. As soon as the project for developing the latest generation computer within the "EUREKA" framework become known, the director of the West European branch of "IBM" stated that there was no point in Old World countries investing large sums in spheres of computerized information processing where supposedly they could never overcome their lag.

At the same time American monopolies are not refusing to take part in West European programs. "IBM" has already joined the "Amis" project, in which 17 West European companies are conducting research into designing the elements of a large computer, and has shown interest in a program to optimize the utilization of equipment in flexible production systems.

Washington struck the hardest blow to "technological Europe" by signing an agreement with the British, FRG, and Italian Governments on their involvement in the "star wars" program. The United States enticed the allies with the prospects of a massive influx of credits, which would, without exertion, increase the volumes of research and development and strengthen the national research base. The most fantastic figures were officially and semiofficially named here--from \$3 billion to \$26 billion within the next few years (Footnote 25) (LES ECHOS, 17 January 1986), whereas, according to serious assessments, only about 1 percent of the allocations for SDI, or approximately \$300 million, was earmarked for West European firms. (Footnote 26) (LIBERATION, 27 March 1986)

Sober politicians called the calculations of getting hold not of isolated elements, but of integrated modules through involvement in SDI "monumental naivete." The correctness of their analysis was confirmed by information filtering through to the press about the conditions that Washington prescribed for the FRG's joining SDI, which rigidly regulated the right of West European enterprises to use the results of research. Without the promised guaranteed orders or firm commitments for the transfer of technology, the agreements primarily suited the goals of the Reagan administration, the main one being to force allies to support the American project politically.

The fact that a number of states allowed themselves to be involved in space militarization plans created a climate in "Europe minor" that did not favor the successful implementation of "EUREKA." Paris could not ignore the pro-American dispositions of its partners, primarily the FRG. The French leadership had to modify the initial contrast between "EUREKA" and the "star wars" program and acknowledge that both projects were "not incompatible" and that "bridges could be made" between them. Expressing opposition to involvement in SDI, official Paris did not hamper establishment of direct ties by national firms with the Pentagon and American enterprises working on "star wars."

According to the press, such major French companies as "Thomson," "Matra," and "Compagnie Generale d'Electricite" (the latter through its "ILAS" affiliate) have contacts with SDI and have received specific offers in the sphere of electronics, laser technology, and the production of large-diameter mirrors. The firm "Mars" has already concluded a contract with a branch of "Rockwell International" on the production, by license, of radio navigational devices for the American "NAVSTAR" system, which could be used in space ABM systems. (Footnote 27) (LE MATIN, 25 January 1986; L'HUMANITE, 24 May 1986; LES ECHOS, 25 May 1986)

The alignment toward Washington, right up to the legalization of Britain's and then the FRG's involvement in the American program, has increasingly isolated France's position on this question. Is this not why in January

1986 Defense Minister P. Guiles, having given in to pressure from business circles interested in obtaining military orders from the United States, called on French companies to take part in SDI?

No matter how often the "lack of rivalry" between SDI and "EUREKA" is repeated, involvement in the American program is damaging West European technological cooperation, because at any given moment the intellectual resources engaged in the research and development sphere are limited, and by being brought into one project, they drop out of the other. Moreover, the thick screen of secrecy and the restrictions imposed by the United States on using innovations in case of participation in SDI put up additional barriers to expanding scientific-technological ties.

Observers assess the practical results of "EUREKA" with reserve. The project still lacks unity of strategy, precise priorities, and a solid resources base. Judging by everything, it has not led to a fundamental turning point in the correlation of economic forces, which does not favor Western Europe. To enhance the solvency of "technological Europe," experts propose that together with the "free association" of entrepreneurs within the "EUREKA" framework, the more structurally rigid program such as "Aerobus" or "Ariane," whose organization has been firmly cemented either by common production or by work for a single client, should be further developed. Proposals are also expressed to intensify "EUREKA" by including West European space programs in it.

Using the fact that the organizational forms of "technological Europe" have not become firmly established, militaristic circles have doubled their efforts so as to build a military story on top of "EUREKA" under the pretext of enhancing efficiency. On the one hand, it has been stressed in every way that "EUREKA" lacks any strategic ambitions and has an exclusively civilian orientation, which is consolidated in its charter. This approach opens the program to a broad circle of participants. On the other, it has been stated no less officially that the technology and end products being developed within its framework may be used for both civilian and military purposes.

If one believes the Paris press, there are no contradictions. The authors of the proposal, LE MONDE noted (19 April 1985), were thinking about a material base for "European defense," but for pragmatic reasons put nonmilitary research to the fore. For the FRG, the weekly LE NOUVEL OBSERVATEUR writes, playing up the civilian nature of "EUREKA" is the most convenient way of joining the future "European defense," by developing technological ties and circumventing the question of nuclear weapons. (Footnote 28) (LE NOUVEL OBSERVATEUR, 26 April 1985, p 49).

Supporters of the militarization of "EUREKA" assert that only by orienting scientific-technological cooperation toward the needs of military production will the mobilization of resources necessary for a technological breakthrough succeed. Otherwise, "EUREKA" will just be "rail cars without a locomotive." They are actively spreading the thesis that the majority of the latest technologies have a "dual designation," or, as (F. Eisburg), consultant to the "Thomson" company expressed it, "the production of both guns and butter now rely on a common technological foundation."

Hence the conclusion that trying to single out purely civilian and military research or, moreover, to contrast them is not justified. In this the consequences evolving military research and development for civilian sectors are significantly overestimated. As practice shows, production methods in the military sector often do not satisfy the requirements of the civilian production market, which holds back infusion of innovations into the economy. Finally, closing their eyes to the expenditure of resources, supporters of this viewpoint assert that in an age when scientific research requires long-term investments that do not promise a quick return and while the prospects of civilian markets remain uncertain, military expenditures become a "useful tool" in the structural reorganization of national economies.

But the apologists of the militarization of technological cooperation tie in their main argument with the problems of the West European military business. The time is not far off, General P. Gallois forecasts in his book "The 100-Second War," when the technology being developed with a view to space will fundamentally transform the makeup of the arms used on land, at sea, and in the air (Footnote 29). (See P.M. Gallois: "The 100-Second War: The United States, Europe, and Star Wars," Fayard, Paris, 1985, p 118) According to him, the beginning of a new stage in the development of the military economy, for which very expensive programs are noted, make more demands on international cooperation in arms production. For the time being this is excessively fragmented: West European enterprises produce 27 classes of aircraft, 7 classes of tanks, and 22 models of antitank weapons systems. (Footnote 30) (LE POINT, 10 February 1986, p 70).

Quite a few joint arms development and production projects have recently been paralyzed due to discrepancies in time frames for updating military equipment, differences in operational-tactical missions, demands made by national planning organs on the technical characteristics of the same classes of weapons, and so on.

The newspaper LES ECHOS (18 November 1985) has frankly stated that the issue of organizing a military "EUREKA" has been placed on the agenda. If cooperation in the military business is hampered by the unwillingness of partners to contribute their reserves in the sphere of research, scientific-technological integration should be prefaced with industrial integration. The French press describes different variants of this integration. The authors of the book "The Microprocessor, People, and the Bomb" put forward the proposal to establish a French-West German agency to coordinate military research and development. (Footnote 31) (P. Boniface and F. Heisbourg: "The Microprocessor, People, and the Bomb," "Hachette-literature," Paris, 1986, p 262)

The project created by (J.-1. Jergoren), former director of the Center for Analysis and Forecast of the French Ministry of External Relations and now advisor to the French company "Matra," seems more ambitious. It envisages involving the greatest possible number of West European states in this agency, primarily those which belong to the Western European Union (Britain, France, Italy, the FRG, and the Benelux countries). The new organ would conduct joint research and development programs in a number of nonnuclear base technologies.

The idea is being discussed of combining military research and development under a common umbrella of a large-scale strategic program for Western Europe. This is most often called the "European Defense Initiative" (EDI). It envisages the creation of an "expanded ABM system," which alongside aircraft, would have the opportunity to destroy an enemy's cruise and operational-tactical missiles. Bonn was the first to talk about EDI, it was then supported by French military-political circles. Judging by press reports, the plans for an "expanded ABM system" has been examined at recent French-West German summits.

EDI supporters cite the fact that in the future, a proportion of military missions that have been entrusted to aviation will be given to missile weapons. The discussions about the projects' "strategic expediency" is only propaganda packaging to try to sell to public opinion an extremely dangerous venture capable of whipping up the arms race and destabilizing the situation in Europe. Behind it are the self-interests of the West European military-industrial complex, which counts on major profits associated with the modernization of surface-to-air missile systems, with giving them "antimissile capabilities," and particularly with the creation of the latest weapons--high-energy lasers and rapid-firing rail guns--designed for the implementation of the same EDI.

Political calculations are also associated with the implementation of EDI. Bonn sees it as a method to get access to political and military control over a system that possesses, as LE MONDE DIPLOMATIQUE expressed it, "quasistrategic capabilities." (Footnote 32) (LE MONDE DIPLOMATIQUE, November 1985, p 11) Paris hopes "to broaden the horizons" of the French-West German alliance, to interest its partner beyond the Rhine with its technological stocks, and to enhance the level of the West European orientation in the foreign policy priorities of FRG ruling circles.

Having gauged the depth of the danger of the "technological challenge" made by its rivals and taken the first countermeasures, Western Europe is entering the second half of the current decade. The most significant attempt to bring the region to advanced frontiers was the adoption of the "EUREKA" program. Discussions about the "wind of hope" on the pages of newspapers and journals have supplanted the pronouncements about the "decline of Europe," which had predominated until recently. At the same time indications have not yet appeared that West European imperialism has managed to check the definite erosion of its economic positions.

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"Mirovaya ekonomika i mezhdunarodnyye otnosheniya", 1986

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CSO: 1816/2

OVERVIEW OF CURRENT WORLD PROBLEMS, USSR'S POSITIONS

Moscow MIROVAYA EKONOMIKA I MEZHDUNARODNYYE OTNOSHENIYA in Russian No 10,
Oct 86 (signed to press 12 Sep 86) pp 65-84

[V. Amirov, B. Bolotin, O. Ivanova, Yu. Krashenninnikov international roundup:
"Current Problems of World Politics (14 June-31 August 1986)"]

[Excerpts] It is customary in the West to call the summer period a "political vacation". But the past 3 summer months of this year were not marked by a lull. They may rightly be called a hot political season. It was so full that it is difficult to take in in a single glance the manifold variety of events replacing one another. And not surprisingly: our world today is entirely different from that of yesterday, and that of tomorrow will be different from that of today. The succession of days is swiftly carrying into the past the news which stirred people's thoughts and feelings just 2-3 months ago. Explosions, clashes, debates are gradually being erased from the memory.... Man's consciousness possesses sufficient flexibility, and this perhaps saves it from being overburdened with information in our seething, anxious age.

But there is a category of events which become landmarks on the path of mankind, storing the main features of our times and being left to history as the quintessence of their concerns and anxieties. Such striking landmarks not only of last summer but of the entire year remain for all of us the visit of M.S. Gorbachev, general secretary of the CPSU Central Committee, to the Far East, his speech in Vladivostok on 28 July and also the statement on 18 August on Soviet Television, the Soviet Union once again demonstrated its unshakable adherence to a policy of realism, peace and cooperation (sentence as published).

1. New Horizons, New Approaches

The Sixth Vietnam CP Congress completed the sequence of the highest forums of communists of the socialist community countries, which had been initiated by the 13th Romanian CP Congress in Bucharest almost 2 years ago. Each congress was noteworthy for its in-depth, comprehensive analysis of the situation that had taken shape in the world and in its "own home". A common feature thereof was a lack of ostentation and a focus on the important and urgent tasks with which the times are confronting the peoples of the socialist

countries.. The community's communists are united by the profound conviction that only socialism, given consistent and full use of its opportunities, is capable of providing an answer to the difficult challenge of the times and capable not in words but in deeds of subordinating all economic development to high social priorities.

At the same time an understanding of the truth that the greatness of the advantages of our social system is not something given once for all and which is automatically manifested under all circumstances and that what is required for their realization is a structure of life from which everything alien to the nature of socialism has been resolutely expelled and where there is solicitous concern for all that is positive that corresponds to this nature is maturing more than ever. The building of this structure is the main content and profound meaning of the reconstruction proclaimed by the 27th CPSU Congress and supported by the communists of the whole community and beyond.

It is also important that in determining their tasks for the coming years and the period up to the end of the century the fraternal parties emphasize that these tasks may be tackled only in the creative interaction of all countries and all peoples of the community and given the close coordination of their efforts in all spheres of economic and, more broadly, social life. This manifests the growing maturity of the parties and their confidence in their own powers, whereby it is not shameful to rely on fraternal mutual assistance, and their strengthening mutual respect--the respect of equal and sovereign partners.

In this sense each fraternal party is responsible not only to its own people (although to them primarily) but also to the whole community for all that is done in any socialist country is invariably the focus of the attention of all mankind and strengthens the magnetic force of socialism or, on the contrary, sows doubt in its merits.

The new approach to domestic tasks characteristic of the 27th congress and the congresses of the fraternal parties also determines their new approach to the tasks confronting us in the sphere of the historical competition with capitalism. It is now clear that it is not a question of naming a specific date when the socialist countries "will have caught up with and overtaken" the capitalist countries in terms of production volume. The competition of the two systems is primarily competition for people's hearts and minds and for their choice in favor of the social system which they--by its deeds--deem more in keeping with the cherished aspirations of mankind and its present and future needs.. For hundreds of millions of people in Western countries and the vast diverse developing world daily and hourly encountering capitalism's incapacity for combining economic growth with social progress and using the achievements of science and technology for the good of the working people the successful accomplishment by the Soviet Union and other community countries of their seemingly purely domestic tasks will signify an indisputable gain of socialism in its competition with capitalism.

An important place in the plans for the interaction of the socialist community countries is occupied by measures to accelerate the economic development of Vietnam, Cuba and Mongolia and their equalization with the European CEMA countries. This aspect of the development of the socialist

countries is also important for their competition with capitalism. In the nonsocialist part of the world the gap between the developed and backward states in terms of summary economic indicators is increasing constantly and has by this time assumed huge proportions. According to recent UN statistical data, in terms of the per capita gross domestic product such countries as Pakistan, India and Bangladesh lagged behind the United States 37-, 54- and 95-fold (!) respectively in 1982. For the developing world the fact of the relatively rapid ascent of the as yet economically less developed CEMA countries will undoubtedly be a most important factor of the increased magnetic force of the socialist development model.

Equalization among the European CEMA countries in terms of summary indicators of the economic development level has in the postwar period been very considerable. Whereas at the start of the 1950's the maximum gap between them in terms of per capita national income was roughly threefold (Czechoslovakia--Romania), in terms of this indicator now Romania is at the level of 75 percent of the CSSR. In terms of labor productivity in industry the maximum gap between the countries 30 years ago was 2.5-fold (the GDR--Romania), it has now diminished to 1.5-fold.

The lagging of Cuba, Mongolia and, particularly, Vietnam behind the economic development level of the European CEMA countries is still highly perceptible, which determines the scale of the tasks confronting the community in this sphere.

2. Time for Responsible Decisions

Mankind faces a formidable challenge: its very existence is at stake. Such is the stern reality of our times, which no one can allow himself to ignore. Two recent tragedies connected with the technology of the nuclear-space-age--the Challenger catastrophe and the accident at the Chernobyl nuclear power station--were an object lesson of what would happen were nuclear weapons to be activated. The explosion of even a small proportion of the stockpiled nuclear potential would be an irreparable catastrophe.

Nonetheless, the arms race continues to spiral increasingly strongly. New, even more refined weapons are being added to the existing piles of weapons of annihilation. It is already becoming cramped for the arms race on earth, and there is a danger that it will spread to space, which would accelerate the already critically high rate of the stockpiling and upgrading of nuclear weapons.

Proceeding from such an understanding of the problems of peace and security under modern conditions, the Soviet Union put forward a broadly based program for the elimination of nuclear and chemical arsenals by the end of the present century, which was subsequently supplemented by specific proposals at the Geneva negotiations. Together with its Warsaw Pact allies the USSR also submitted for the West's perusal a set of measures to reduce conventional arms and armed forces in Europe from the Atlantic to the Urals. In addition, endeavoring to move the nuclear disarmament problem from standstill, on the eve of the 40th anniversary of the Hiroshima tragedy our country announced a unilateral moratorium on all types of nuclear explosions. Broad strata of

the world community saw this decision as a step affording a real opportunity for a complete halt to the nuclear arms race. After all, if there are no tests, there will automatically be no upgrading of nuclear arms and the creation of new systems thereof.

In announcing the moratorium the Soviet Union naturally had a right to expect that its example would be followed by other nuclear powers, primarily the United States, also. But this did not happen. The U.S. Administration's response was a whole series of new nuclear explosions: Three times in the year the USSR extended the moratorium, and each time Washington demonstrated an arrogant and cynical reluctance to heed the voice of reason and the demands of millions of people on all continents, in the United States itself included, for a halt to the slide toward the abyss. In the year that the Soviet moratorium had been in force the United States exploded 18 nuclear devices. And, furthermore, did so demonstratively, as a rule, timing the tests to coincide either with the latest announcement of the USSR concerning an extension of the moratorium or with this new initiative or the other on its part.

Something else is indicative also. Whereas in the first months that the Soviet moratorium was in effect Washington, attempting to justify its irresponsible position on this question, embarked on all kinds of subterfuges (like assertions concerning the USSR's alleged "lead" in terms of the number of nuclear explosions and also the "impossibility" of "reliable and effective verification" of a suspension of nuclear tests), after specialists of many countries had refuted such "arguments" with facts and figures in hand, the United States was forced to acknowledge its true motives for its refusal to suspend testing. As long as a system of nuclear deterrence operates, official representatives of the administration now declare, it will be essential, first, to check how well nuclear weapons operate and, second, to create new types of weapons.

The first argument does not withstand criticism. Test explosions are by no means necessary, many specialists believe, to check the reliability of existing nuclear weapons inasmuch as the properties of uranium and plutonium remain constant for a long period of time. The main purpose of the nuclear testing carried out by the United States, M.S. Gorbachev emphasized, answering questions of the newspaper RUDE PRAVO, is to create fundamentally new types of arms, space-based included.

In the hope of achieving military superiority to the USSR in a new twist of the arms race spiral Washington is doing away with the final inhibitors restraining this process to some extent. This was how the whole world evaluated the decision announced by President Reagan at the end of May concerning the United States' virtual refusal subsequently in the building of strategic forces to abide by the limitations imposed by the SALT I and SALT II treaty-legal documents. Faced with the choice of moderating its military programs or opening the locks for their realization in full, the White House preferred the latter. True, aware, evidently, of the seriousness of this step, the administration attempted to leave certain opportunities for maneuver. In his statement concerning the United States' virtual departure from SALT I and SALT II the President made it understood that Washington would aspire to "restraint" and would not deploy a larger number of strategic

missile launchers and warheads on them than the USSR. The White House also put forward a certain formula for the creation of an "interim framework of genuine mutual restraint" in the absence of SALT II and also hinted that the President could reexamine his decision if the USSR "changes its behavior".

Washington has yet to officially respond to the USSR's initiative. However, the pronouncements of representatives of the administration testify to the previous unconstructive position of the United States. In accordance with the established style, Washington is once again resorting to subterfuge and maneuvering for the purpose of disorienting public opinion. Thus on the one hand it is being made understood there that a complete renunciation of nuclear testing does not correspond to the United States' interests inasmuch as, it is said, it is necessary to maintain the effectiveness of the nuclear forces (a familiar proposition!). On the other, attempts are being made to create the impression of changes which have emerged in the administration's position on this question. The "idea" of some compromise version--limitation of the number of nuclear tests instead of their complete suspension--is, in particular, being advanced with the aid of information "leaks". At best, a complete and all-embracing ban on nuclear explosions with the conclusion of the corresponding treaty is allowed as a distant prospect. And then even, as U.S. representatives invariably emphasize, ...given the development of the "requisite system of verification of compliance with the ban on nuclear explosions."

None of this can be called anything other than unseemly attempts by clumsy excuses to justify its policy of continuation of the nuclear arms race. The fraudulent nature of the White House's position is manifested most graphically, perhaps, in the question of verification. It is generally acknowledged that the technical means of verifying compliance of a suspension of nuclear explosions at the disposal of both sides are capable of recording practically any possible violation of a ban on testing. This was authoritatively confirmed by the participants in an international forum of scientists for a suspension of nuclear testing held in the summer in Moscow. The USSR has repeatedly declared its readiness to consent to the broadest forms of supervision--both national and international, including on-site inspection even. Consent to the installation of American monitoring equipment in the Semipalatinsk area is convincing proof of this. "We believe," M.S. Gorbachev declared, responding to questions of RUDE PRAVO, "that it would be possible to translate scientists' accord into an official agreement and mutually watch to ensure that a possible agreement on a suspension of nuclear explosions is not violated." According to recent public opinion polls, 80 percent of Americans advocate the United States associating itself with the Soviet moratorium. A reflection of such sentiments is the growing opposition to the administration's policy of unchecked militarization. This is shown distinctly by the results of discussion of the country's military budget for the 1987 fiscal year. Bills enacted by both the Senate and the House have cut considerably the administration's requests for the needs of the Pentagon (albeit to a different extent). Fewer resources than the White House sought have been allocated the "star wars" program.

In the final days of work before the Congress recessed for vacation the House passed a number of amendments to the military appropriations bill. In accordance with one of them, a temporary freeze on nuclear tests with a yield of over 1 kiloton for a period of 1 year would be established as of 1 January. Others provide for an extension of the freeze on the testing of antisatellite weapons and the production of binary chemical weapons for the 1987 fiscal year. In addition, the House passed a resolution making it incumbent upon the administration to abide by the SALT II Treaty. As far as the Senate is concerned, it confined itself to calls on the White House for it to comply with the SALT II Treaty and resume negotiations with the USSR on a complete and general ban on the testing of nuclear weapons. The results of the congressional session just ended are seen by observers as a serious warning to the administration that its policy does not enjoy support in the country and as a kind of no-confidence vote. And the White House will have to draw the conclusions from this.

3. On the European Salient

The European continent occupies a special place on the political map of the world. History and geography have closely linked here the fate of several dozen states and more than half a billion people. Europeans have been living under peaceful conditions for more than four decades now. But a dear price was paid for it. Twice in the present century Europe has been the place where the conflagration of world war began. It is for this reason that the perception of our continent as a "military theater"--in customary NATO terminology--is blasphemous, at least.

But were there to be a conflict in Europe now, its consequences would be immeasurably more terrible than ever in the past: it would be the detonator of a world catastrophe. After all, the two most powerful military groupings confront one another on European soil and "Mont Blancs" of weapons--both nuclear and conventional--are stockpiled here. In terms of the concentration of destructive weapons per square kilometer Europe, particularly the center thereof, far exceeds any other part of the world, and the continent's saturation with increasingly lethal weapons is increasing. The situation is made worse by the fact that a considerable proportion of this explosive material is not under the control of European governments: the question of its possible use will be decided across the Atlantic, and, as experience shows, not necessarily following consultation with the allies.

On the other hand, it was Europe which was the laboratory of detente and it was here that such a unique phenomenon as the "spirit of Helsinki" was conceived. In the 11 years which have elapsed since the signing in the Finnish capital of the Final Act of the All-European Conference it has proven its vitality and fruitfulness.

Economic and S&T cooperation between Eastern and West Europe is developing pretty well, as a whole.

East-West relations in the humanitarian-cultural sphere are being stimulated gradually. The USSR regards cooperation in this sphere as a component of the creation of an all-embracing system of international security. And our country is demonstrating its readiness to develop it not in words but in deeds. The Bern meeting of experts on contacts between people held within the framework of the Helsinki process, where, thanks to the flexible and constructive position adopted by the USSR and the other socialist countries, it was possible to find a solution to many problems which had long been insoluble, may serve as an example. And although owing to the U.S. veto the draft final document which had already been agreed was not adopted, the USSR is prepared to be guided by it in practice in bilateral relations with all states which wish to negotiate on this.

Together with questions of an extension of bilateral relations an important place at the negotiations was occupied, naturally, by an exchange of opinions on international problems. It confirmed that, despite certain differences in the approach to some of them, the positions of the two sides coincide as far as the need for a halt to the arms race and the prevention of it spreading to other spheres, observance of the existing accords here, disarmament and the continuation of detente are concerned. In the USSR's opinion, which is shared by France also, a considerably bigger role than currently could be performed in the solution of these problems by Europe.

As distinct from Soviet-French relations, contacts with London can in no way be termed stable. They have repeatedly experienced pronounced setbacks, which have occurred, as is known, not through the fault of the USSR. The "zigzag-like" nature of relations between the two countries has led, inter alia, to Great Britain, which a decade ago was in first place among the USSR's Western partners, sliding into one of the last places.

The main reason for such dips, and not only in the economic sphere, what is more, is London's "special" relationship with Washington, which often prevents Britain seeing the world with its own eyes.

The USSR's relations with the FRG, as with Britain, have known periods of rise and fall. There was a time when Bonn even enjoyed the reputation in the West of "privileged" partner of Moscow. Although in the trade-economic sphere the FRG maintains the position of the USSR's biggest partner among the developed capitalist states, political relations leave much to be desired.

The reasons are well known. They are the strong American "accent" in Bonn's policy and its readiness to play the dubious part of first pupil in the "Atlantic class". Whence the discrepancy between the FRG's declared goals and practical actions. While declaring their aspiration to ensure peace and security with as few weapons as possible the country's ruling circles are in practice engaged in military efforts far in excess of its defense needs. Bonn's pronouncements in support of a responsible view of the world, M.S. Gorbachev observed at the time of the meeting with H.-D. Genscher, also fail to jibe with the practical support for the militarist course of the U.S. Administration, participation in the SDI program and the passive attitude toward the possibilities of disarmament afforded by the far-reaching Soviet proposals.

Yet as a major state on a continental scale, the FRG bears its share of responsibility in the building of the common "European house". The pronouncements of its leaders concerning a readiness to make their contribution to this process and perform a "constructive, future-oriented role" therein merit attention, of course. But they must be underpinned by real deeds. It would seem that Bonn understands this. However, there are as yet no grounds for speaking of any pronounced changes in the practical plane. The changes have concerned basically the tone, but not the essence of policy. The latter continues to bear the imprint of the past to a large extent.

During President F. Mitterrand's visit to Moscow our country came out with an important new initiative. It proposed that the West make the corresponding reductions in the types of weapons of which it has more. We, in turn, would unhesitatingly reduce the "surpluses" where we have more.

But what has been the West's attitude toward the new initiative of the USSR and its allies? Broad strata of the public have seen it as yet further evidence of a responsible approach dictated by concern for the future of the continent and peace. Certain pronouncements of representatives of West European states have also been, as a whole, of a more benevolent nature than we have been accustomed to observing in recent years. Some of them are even drawing a parallel between the proposals of the socialist countries and the decisions of the Atlantic alliance session in Halifax (June 1986). But this is as far as things have gone as yet.

What is the reason for this situation? What is reflected partly is the habit which is rooted in the ruling circles of many West European states of handing over a decision on questions connected with their own security to Washington. This "inferiority complex" is literally paralyzing the will of some governments, when a show of independence is required. At best the latter are confined to attempts to dissociate themselves from the policy extremes of the transatlantic partner. The tenacity of the thinking in military confrontation categories in the staffs (and not only in the staffs) of the West European states and as yet current "fears" in respect of the "threat from the East," which are supported in every possible way by the United States, also make their presence felt. Whence the paradoxical picture. On the one hand West Europe is increasingly distinctly aware to what irreparable consequences the conversion of the continent into a nuclear hostage of Washington could lead. On the other, as P. Moreau-Defarges, associate of the French International Relations Institute, observes, "if the United States were tomorrow to abandon Europe to the whim of fate ... West European governments would feel like insects from which the protective shell had been removed."

Nor can we fail to take into consideration the intrinsic military ambitions of certain West European states. This applies primarily to Britain and France, which possess significant and growing "deterrence" potential--in the form of both conventional and nuclear arms. Even now both countries could send on a single mission-launch more than 500 nuclear warheads, and by the mid-1990's, in accordance with the planned programs of a buildup and modernization of the British and French nuclear arms, the total number of warheads on ground- and sea-based missiles may have grown to 1,200.

Is this not why London is expressing its "regret" in connection with the USSR's decision to extend the moratorium on nuclear explosions, and Paris maintaining silence, which in this case is more eloquent than any words?

The tasks of strengthening European security and reducing the level of military confrontation demand a responsible approach and the active position of all states of the continents, regardless of size. Only thus is it possible to break with the present dangerous trends, overcome the deadlocks of confrontation and reach the point where Europe sets an example of the development of civilized and peaceful East-West relations.

An important step en route to a strengthening of European security would be the creation in the north of the continent of a nuclear-free zone. Such an idea enjoys the support of broad public strata and many politicians and statesmen of countries of the region. This was confirmed by the meeting in Copenhagen at the end of August of representatives of 17 political parties of Denmark, Sweden, Norway, Finland and Iceland, which adopted a decision to set up a special commission of members of parliament of the northern states on the question of the creation of a nuclear-free zone.

The Stockholm Conference on Confidence-Building Measures, Security and Disarmament in Europe is also called on to play its part in an improvement in the atmosphere on the continent. The successful completion of the Stockholm conference would signify an important step for the better in European affairs and international life as a whole.

4. For Security and Cooperation in Asia and the Pacific

An integral part of the general platform of the CPSU's international activity elaborated by the party's April Plenum and 27th congress is the Asia-Pacific direction of the Soviet Union's foreign policy. Its growing significance was emphasized at the congress. The developed concept of a strengthening of peace and security in Asia and the Pacific advanced by our country and expounded in M.S. Gorbachev's 28 July speech in Vladivostok is striking testimony to this. The main content of the concept is that the Soviet Union is offering to include the Asia-Pacific region in the general process of the creation of an all-embracing system of international security, whose fundamental principles were discussed at the 27th CPSU Congress.

A considerable proportion of USSR territory is drawn primarily toward the Pacific coast, and the role of Siberia and the Far East in our country's economic development will, as is known, grow. The economic power of the PRC is increasing. Notable successes on the paths of socialist building are being scored by the MPR, DPRK, Vietnam and Laos. Cambodia is recovering.

The concentration in the Asia-Pacific region of colossal human, raw material and intermediate resources, the comparatively rapid economic growth of many countries and the growing processes of the internationalization of economic life in this region and at the same time the presence here of a whole number of sources of international tension and the danger of new ones arising inevitably lead to the conclusion that the fate of peace will be determined to a large extent by how socioeconomic and political development subsequently proceeds here and which processes in relations between states prevail.

The increase in the number of calls at Japanese ports by ships and submarines of the U.S. Navy calls attention to itself in this connection. The most recent example was the visit in August of a group of 7th Fleet ships headed by the battleship of sorry renown, the "New Jersey". As the local papers observed, this was the first instance of the appearance off Japan's shores of such a number of cruise missile-carrying ships. Their participation in large-scale maneuvers in the seas of Japan and Okhotsk of a frankly anti-Soviet thrust is planned.

To judge by everything the Nakasone government, following the big victory of the ruling Liberal-Democratic Party at the July parliamentary elections, is increasingly openly adopting a policy of a strengthening of Japanese-American ties in the military sphere. The position of Japan's National Defense Agency, in particular, points to this. In August it issued the latest defense white paper. The idea of the "need" for closer cooperation with the United States as the main "guarantor of the security" of Japan can be detected in it. "This is the most important Japanese military survey since 1976," the London journal THE ECONOMIST observes, "for it lifts the two main taboos which had formed the basis of military policy for the decade: the belief that Japan's spending on defense could not exceed 1 percent of its GNP and that the strength of the personnel of the country's armed forces was a figure subject to no change."

Inventions are frequently put out abroad concerning the Soviet Union's buildup of armed might in the east of the country. It was once again declared with all certainty at the highest level in Vladivostok that the USSR is not doing and will not do anything over and above what corresponds to its minimum defense requirements and the interests of the defense of friends and allies, taking into consideration particularly the military activity of the United States.

In addition, the USSR proposes a whole set of measures aimed at lessening the military danger in the Asia-Pacific region. Thus, for example, the question of the withdrawal of a significant proportion of Soviet forces from Mongolia is being studied at this time together with the MPR leadership. The Soviet Union attaches great significance to a radical reduction in armed forces and conventional arms in Asia to the limits of reasonable sufficiency. Naturally, this problem needs to be tackled bit by bit, in stages. In this context the USSR is ready to discuss with the PRC specific steps aimed at a commensurate reduction in the level of ground forces. The proposal concerning negotiations to reduce the activity of navies, primarily ships equipped with nuclear weapons, in the Pacific also corresponds to the interests of all peoples of the region.

The Soviet Union advocates the erection of a barrier in the way of the proliferation and buildup of nuclear weapons in Asia and the Pacific. In this connection the USSR supported the declaration of the South Pacific a nuclear-free zone and called on all the nuclear powers to unilaterally or multilaterally guarantee its status. The South Pacific Forum 17th Session was held 8-11 August in the Fiji capital of Suva. This session coordinated and confirmed protocols to the nuclear-free zone treaty addressed to the nuclear powers. By the time the session was held 10 of the 13 members of the South Pacific

Forum had already signed the treaty and 4 had ratified it. Later the same month the Australian Parliament House of Representatives approved the treaty by an overwhelming majority. Addressing parliament, W. Hayden, the country's foreign minister, emphasized that the creation of a nuclear-free zone represents a significant contribution to arms control.

The growth of antinuclear sentiments in the Pacific is causing manifest nervousness in Washington. The protracted American-New Zealand conflict and the crisis connected therewith of ANZUS--imperialism's oldest military-political bloc in the Asia-Pacific region, which has been in existence since 1951--point to this. The D. Lange government, which assumed office in July 1984, announced the imposition of a ban on admittance to the country of ships carrying nuclear weapons and nuclear power plants and also aircraft carrying nuclear weapons. Since then all the United States' attempts to force Wellington to abandon its decision have failed. The United States views New Zealand's position on the said question as an extremely undesirable precedent. Whence the degree of pressure on it. The United States has virtually wound down military relations with New Zealand. At Washington's demand the traditional trilateral sessions of the ANZUS Council have been replaced--for the second year running--by American-Australian meetings. The last one was held 10-11 August in San Francisco. Besides the foreign ministers, on this occasion the defense ministers participated also. In the communique adopted at the conclusion of the negotiations the United States announced a suspension of compliance with "its commitments in the security sphere to New Zealand per the ANZUS Treaty until appropriate measures to rectify the situation are adopted." What is meant by "rectify the situation" is perfectly obvious. "There is a real possibility that New Zealand," the British FINANCIAL TIMES cautions, "will meet with economic reprisals on account of its entirely reasonable, as the majority of New Zealanders believe, antinuclear policy." According to information of THE TIMES, 73 percent of polled inhabitants of the country are for it "remaining nuclear-free".

The struggle for a limitation of the arms race and disarmament is inseparable from a settlement of questions of a regional nature. The traditional conference of foreign ministers of the three fraternal Indochina states--Vietnam, Laos and Cambodia--held in August in Hanoi attracted attention in this plane. Its participants again confirmed their readiness for the speediest settlement of the situation concerning Cambodia, the restoration of good-neighbor relations with the PRC and a strengthening of friendly relations with the ASEAN countries, and a firm aspiration to the conversion of Southeast Asia into a zone of friendship, good-neighborliness and cooperation was displayed. The USSR's proposals aimed at the establishment of equal cooperation with all peoples of the Asia-Pacific region were fully supported in Hanoi.

As is known, there has been extensive discussion in the region for a long period of time of the "Pacific Community" idea. It has been used and continues to be used by imperialist circles for complicating to the maximum extent and, even better, preventing the participation of the socialist countries, particularly the USSR, in the world-economic processes developing in the region for the purpose of preparing the ground for the creation under Washington's aegis of a broad military-political bloc aimed against the USSR and all peace-loving forces in Asia and the Pacific.

Such plans could not have failed to have given rise to watchfulness in a number of the states which are regarded as possible participants in the "Pacific Community," primarily in the ASEAN countries. Not fortuitous, therefore, was the appearance as an alternative of the "Pacific Economic Community" idea. The Soviet Union regards it impartially and expresses a readiness to support the considerations concerning the possible principles of such cooperation, if, of course, bloc, antisocialist plans imposed by imperialism are not made the basis thereof.

The results of the above-mentioned Manila conference and the meeting held in the wake of it on 26-27 June of ASEAN countries' foreign ministers with the "dialogue partners" (the chiefs of the foreign policy departments of the United States, Japan, Canada, Australia and New Zealand and also EC representatives) showed the profound discontent of the states of the association with the state of relations with the West, primarily its discriminatory policy in the trade-economic sphere, and at the same time dissatisfaction with the almost 20-year activity of the grouping and an endeavor to make considerable adjustments to it. The decision to convene next year--for only the second time in ASEAN's history--a top-level meeting is also an indication of this.

The need for the establishment and extension of dialogue among all countries of the region brings us to put forward as, albeit not an immediate, goal the preparation of a Pacific conference of the Helsinki type. In suggesting such a conference the Soviet Union believes that if it is possible to reach agreement on its convening, a possible venue for the meeting could be Hiroshima--the symbol-city and first casualty of the atomic evil.

5. Economics of Capitalism: What Lies Ahead?

Optimism reigned in the Western press in spring: the future of the world capitalist economy was portrayed in a rosy light. New factors--the lowering of the price of oil, reduction in interest rates, the continuing decline in the exchange rate of the dollar--would seemingly at any moment be breathing new life into the stagnant process of economic growth, doing away with the disproportions in international commodity exchange and smooting over trade-economic contradictions, which had been exacerbated to the limit. However, the summer months did not produce the anticipated changes for the better. On the other hand, the negative consequences of the "three new forces" were not long in coming.

The reduction in revenue forced the oil-producing developing countries to sharply cut back on purchases on foreign markets, constricting this year's already limited export markets of the Western states. The halving of the liquid fuel price struck at the extractive industry of the oil-producing developed capitalist countries. Production, capital investments and exploration and drilling work declined. In the United States the level of production in extractive industry in the summer was 10 percent lower than a year previously. The load of capacity in this sector of the economy had declined 11 percent in a year. There was a corresponding increase in the level of unemployment in the main oil-producing states--Texas, Wyoming, Oklahoma, Alaska and others. It is now higher by a factor of 1.2-1.8 than in the country on average.

Local oil has proven incapable of competing with cheaper imported oil, imports of which into the United States in the first 6 months increased 25 percent.

A fall in production in extractive industry also occurred in Canada and Great Britain, but Norway, which depends to the greatest extent on oil revenues, has found itself in the most difficult position.

True, the fall in the price of oil has contributed to a reduction in inflation in the majority of capitalist countries: its indicators now are the lowest in the past 20 years. However, this is a one-time reduction, and it is too early to speak of the disappearance of inflationary pressure on the West's economy. As THE NEW YORK TIMES writes, the underlying rate of inflation remains at the 2-3 percent level if the consequences of the fall in the price of oil are excluded.

Even the low rate of inflation has not led, as expected, to an appreciable growth of consumer spending. Nor has the decline in interest rates in the leading capitalist countries intended primarily to stimulate a growth of investments exerted a marked influence on business activity. Businessmen, like consumers, are in no hurry to spend owing to a lack of confidence as regards future income in an extremely unstable economic situation.

Finally, the decline in the exchange rate of the dollar, which amounted in the period from May through August to 8-9 percent in relation to the Japanese yen and the Deutschmark, has not produced the anticipated results either. The U.S. balance of trade deficit, which amounted to \$148.5 billion last year, has continued to grow. In the first 6 months it constituted \$83.9 billion, that is, \$14.5 billion more than in this same period a year ago. Trade with Japan accounts for \$28.7 billion of the total deficit, which is by no means contributing to a lessening of protectionist sentiments in the U.S. Congress. Economists observe that a reason for the growth of the deficit is the different pace of the response of prices and volumes of foreign trade to the change in currency exchange rates. The lowering of the dollar's exchange rate has raised the prices of imported commodities ordered many months ago so that the volume of imports has yet to decline, whereas the cost thereof has risen appreciably. The reduction in the price of imported oil has also failed to have any special effect inasmuch as it has been compensated by a sharp increase in purchases thereof. Finally, a further reason for the growth was the deficit balance in the trade in farm commodities recorded in May and June of this year--the first since 1959.

Thus the impact of the new factors on the developed capitalist countries has been far more complex and contradictory than Western economists expected just a few months ago. Meanwhile new trends in the development of these factors themselves have appeared also. The decline in the exchange rate of the dollar, which accelerated in the summer (it has fallen in relation to the yen to the lowest level since the war), is threatening to assume a dangerous avalanche-like nature. As financial experts observe, the cause of the summer fever on the exchange markets is a result of the as yet uncoordinated policy of the central banks of the leading capitalist countries and the marked deterioration of the situation in the U.S. economy.

Bonn and Tokyo believe that Washington should itself first get to grips with its problems and not shift them onto its partners and that it should, in particular, fulfill its promises concerning a lowering of the budget deficit, which in this fiscal year could reach a new record mark of \$230 billion. Whatever the case, the decisions of the Tokyo summit concerning the coordination of economic policy remain on paper as yet: each leading capitalist country is looking out primarily for its own interests, unconcerned whether they run counter to the partners' interests or not.

Meanwhile signs of a possible impending recession in the American economy, which, given the present degree of interdependence, would inevitably affect other capitalist countries also, have appeared on the horizon.

Thus it is unlikely that the West's economy will in the current year manage to achieve the "magic" 3 percent necessary for preventing a further increase in unemployment predicted in May by the OECD Secretariat. In the summer the level thereof in the developed capitalist countries remained in the range of 8.25 percent of the work force. The problem of unemployment is particularly acute in West Europe, where the numbers of those deprived of the right to work constitute 19 million. According to OECD experts, unemployment here will continue at a minimum at the level of today's 11 percent of the work force through the end of the 1980's, and even then on condition that there is no decline in the rate of economic growth. The situation is being made worse by the fact that the continuation of the high overall level of those deprived of the right to work is combined with an increase in the proportion of the long-term unemployed, including those who have not had a chance to work for 2 years and more.

Unemployment in Japan has reached the level of 2.7 percent, which is a record level for this country: the numbers of those without a chance to work this summer were 5 percent higher than in the corresponding period of 1985. The low level of unemployment in Japan compared with the other industrially developed capitalist countries is partly explained by the fact that overmanning is deliberately maintained here, particularly in the service sector. Retail trade, as THE FINANCIAL TIMES writes, virtually performs in this country the role of unofficial social security system, providing jobs for those in need.

The decline in employment in U.S. manufacturing industry is connected not least with the continuing growth of imports of industrial commodities, which are squeezing American products from the domestic market. According to certain data, approximately 350,000 jobs in textile industry have been lost in the past 5 years as a result of the increased imports of foreign textiles alone. The fall in the dollar's exchange rate will hardly help extricate this sector from the crisis situation since a considerable proportion of the cloth and ready-to-wear clothing enters the United States from Southeast Asia, and the currencies of Taiwan, Hong Kong and South Korea have undergone virtually no change in their rate in relation to the dollar. For this reason Washington has taken, as R. Reagan put it, "decisive steps": forced these three biggest suppliers of textiles and garments to sign agreements on a tightening of control over imports and a sharp restriction of the growth thereof to the United States in the next 3 years.

This July, following lengthy disputes, the United States concluded an agreement with Japan on the trade in semiconductors. Henceforward Japanese producers, who had been accused of dumping, will have to notify Washington of their production costs in order to preclude sales at understated prices. Such measures were termed "under-the-counter agreements" by THE FINANCIAL TIMES. They may be voluntary and unofficial, but are being adopted under the threat of imposition of official trade barriers--quotas or supplementary tariffs.

Having won concessions from its Pacific partners, "the United States embarked on an offensive on the European front of the trade war," as LES ECHOS, the organ of French business circles, characterizes the decision of the American authorities to raise the customs dues on macaroni products imported from West Europe, rejecting the ECC proposals concerning a compromise solution.

The slowing of the economic growth rate, as has been the case repeatedly, is leading to an intensification of trade wars and conflict is following conflict, and their settlement is becoming an increasingly lengthy and painful process since the protective measures adopted by one side are entailing retaliatory steps. The interests of third countries are infringed in passing, and they, in turn, are joining the struggle. A chain reaction of protectionism and, together with it, negative consequences for all international trade fraught with additional barriers to economic growth is emerging.

6. The Planet's 'Flash Points'

The reports from many parts of the developing world in the past months were reminiscent of military dispatches. Southern Africa, Central America, the Near and Middle East--such is a far from complete list of the planet's "flash points" where declared or undeclared wars are in progress and the coals of unsettled conflicts are smoldering. The most explosive situation, perhaps, has recently been taking shape in Southern Africa.

The crisis of the shameful system of apartheid has long been ripening, but never before has its doom been as obvious as now. The brutal repression to which the criminal regime is resorting, attempting to prolong the existence of customs condemned by all, merely confirms the fact that the racists' sole foothold within the country is violence.

As the French LE MATIN writes, "South Africa is increasingly reminiscent of a bunker, where the government, challenging the international community, has taken shelter." And not only a "bunker" but also huge concentration camp, even outwardly, what is more. In certain sections of the border with neighboring countries wire fences, through which high-voltage current is passed, have been installed recently.

A distinct sign of the intensifying crisis of the racist regime is the division in the white community. An increasingly large number of its representatives understands whither the country is being led by the authorities' insane policy. "We have allowed a situation to arise as a result of which a gun is being held to our heads. Apartheid has brought the Afrikaners (as the descendants of the first European settlers call

themselves--authors) to an impasse," the South African historian F. van Jarsfeld says. As a recent public opinion poll showed, the number of Afrikaaners unhappy with the policy of the P. Botha government has reached 45 percent. This is 13 percent more than a year ago.

Of course, far from all those who are discontent support the black Africans' struggle for civil rights. Afrikaaners who are themselves prepared to join the anti-apartheid movement as yet constitute a negligible proportion of the white community. Among the malcontents there are also many who are sharply critical of the government for "betrayal of the Afrikaaners' cause," as the ultraright terms the cosmetic reforms which the regime has implemented recently to remove the most odious attributes of the "separate development of the races" system. They are united in extremist groupings like the "Afrikaaner Resistance Movement" headed by E. Terre' Blanche. This "ideologist" of the extreme right calls for the restoration of the Boer republics of the end of the last century, where the whites may preserve their originality.

The growing lack of confidence of business circles and international financial centers in the apartheid regime is intensifying the crisis of the racist states' financial system, which is already undermined by huge expenditure on the upkeep of the army and punitive apparatus. But speaking of its very imminent collapse, as certain Western experts are predicting, is premature. As long as hundreds of Western companies are operating in South Africa, Pretoria need have no particular fear of such a development of events. British capital investments in the country alone amount to 12 billion pounds sterling, and the United States accounts for \$15 billion.

The reluctance of the racist regime's Western partners to cease cooperation with it is seen by Pretoria as encouragement of the terror within the country and the bandit actions against neighboring countries. At the start of August subunits of the South African armed forces once again invaded Angolan territory, penetrating to a distance of up to 300 km.

At the same time the racists are attempting to destabilize the situation in the "front-line states" by way of unleashing economic warfare against them. The main targets of the attack have been Zambia and Zimbabwe, which are landlocked and therefore forced to use for the shipment of their freight mainly South African ports. On any pretext the customs authorities of this country are detaining truck convoys from Zambia and Zimbabwe at the border. The racists hope in this way to intensify both states' economic difficulties and force them to abandon support for the just struggle of South Africa's indigenous population for its rights. The moment chosen for the new bandit actions and the unleashing of economic warfare is noteworthy. These actions were carried out by Pretoria immediately following the meeting of the leaders of seven members of the Commonwealth (at which the leaders of six countries, in spite of Britain's opposition, supported the adoption of wide-ranging economic sanctions in respect of South Africa) and on the eve of the eighth summit conference of nonaligned states in the Zimbabwean capital of Harare. The racists thereby decided to throw out a brazen challenge to the vast majority of the international community.

A tense, explosive situation took shape at the end of summer-start of fall in the north of the African continent also, more precisely, in the waters which wash its shores. The reason was the same as a few months previously-- a new show of strength organized by Washington off the Libyan coast. On this occasion Egyptian warships and aircraft participated in the provocative maneuvers of the U.S. 6th Fleet also. Except for the final "detail," in the remaining features the situation coincided practically completely with that which had preceded the United States' piratical attack on Libya this April. Once again, as at that time, fed by high-ranking administration representatives, the American mass media launched a noisy propaganda campaign against Tripoli, and once again a stream of insinuations rained down as regards "Libyan terrorism" and other "intrigues" of the M. Qadhafi regime accompanied by unconcealed threats to employ the "necessary measures" in respect of it. Reports that at the recommendation of the NSC the White House had adopted a plan of possible actions aimed at provoking the Libyan Government to "irrational actions" and thereby obtaining the desired pretext for new aggression lent the situation added piquancy. In turn, the Pentagon, as is known, ordered the transfer from the United States to American bases in Britain of an additional 18 F-111 fighter bombers (the aircraft which had been used in the course of the April "operation").

The spurring of tension in the Southern Mediterranean followed the latest surge of the diplomatic activity of the United States and Israel in the Near East. As previously, it evoked a stream of animated comment in the world press, but led to no real results. This was shown graphically by the outcome of Israeli Prime Minister S. Peres' visit to Morocco and U.S. Vice President G. Bush's tour of the capitals of a number of Near East states.

The sensationalism which surrounded S. Peres' meeting with King Hassan II was understandable: after all, Morocco was the second state in the Arab world after Egypt whose leader had consented to direct contacts with Tel Aviv. The stormy reaction to this event on the part of many Arab states was therefore natural. The step taken by Hassan II was condemned by Algeria, Iraq, the Yemen Arab Republic, Lebanon, Libya and the PDRY and certain Palestinian organizations, and Syria even severed relations with Rabat. Thus the negative consequences of the Moroccan-Israeli top-level meeting for the Arab world are evident. But what did it produce in the plane of a surmounting of the Near East deadlock?

To judge from what has become known concerning the results of the meeting, nothing. King Hassan II confirmed his country's adherence to the "Fez Plan" for a settlement of the Arab-Israeli conflict (it was approved at the Arab summit conference in 1982), Peres, on the other hand, made it understood that the basic provisions of this plan--liberation of the Israeli-occupied Arab territory and the creation of a Palestinian state--were unacceptable to Tel Aviv. Generally, there were no negotiations, according to the king, only a "dialogue".

G. Bush's trip to the Near East followed shortly after Peres' visit to Rabat. In the course of his Near East tour the vice president visited Israel, Jordan and Egypt. Evaluating the results of the negotiations with the leaders of these countries, Bush declared: "I cannot say that we strengthened the peace process but... I feel somewhat optimistic." Translated from diplomatic

language into the vernacular, the vice president's words essentially mean recognition of the failure of the latest attempt to impose on those with whom he spoke in Amman and Cairo direct negotiations with Tel Aviv a la Camp David. It was clearly stated to Bush in Jordan that "negotiations should be conducted within the framework of an international conference with the participation of all interested parties, including the PLO and the five permanent members of the Security Council." The same position is held by Egypt, to which the joint communique issued following the meeting in the first 10 days of August between King Hussein and President H. Mubarak testifies.

In the course of his Near East trip the U.S. vice president attempted to have Egypt and Israel sign an agreement on the transfer of the question connected with the Taba dispute to international arbitration. It was Washington's hope that a solution of this question would afford an opportunity for a meeting between Peres and Mubarak and the normalization of Israeli-Egyptian relations.

An extremely destabilizing influence on the situation in the region is being exerted by the Iran-Iraq armed conflict, which has lasted over 6 years now. The summer months were marked by a sharp resuscitation of combat operations the length of the front. According to estimates, forces totaling approximately 1.5 million men and roughly 5,000 tanks and armored personnel carriers are concentrated on the battlefields.

The conflict is characterized by further escalation. In August Iran launched a missile attack on Baghdad and the oil refinery complex in its suburbs, and the Iraqi Air Force, in turn, bombed and rocketed civilian and industrial targets of Iran.

The military operations long since passed beyond the national boundaries of the two states and are being conducted in international waters. The reports received periodically on the aircraft of this country or the other attacking "large naval targets" testify to this. Such actions create a serious threat to shipping in the Persian Gulf. There is also the constant danger of the involvement of other states of the region in the conflict.

At the start of August Iraqi President S. Husayn again proposed to Iran a cessation of military operations and the establishment of a "just and honorable peace". However, this proposal was categorically rejected by Tehran. To judge by the statements of the Iranian leadership, it is gambling on a "decisive breakthrough" this year even.

In the past months considerable attention on the part of the world press was attracted to the events in Pakistan. In the opinion of many observers, the dictatorial regime in power found itself faced with the most serious crisis of recent years. Mass antigovernment protests, which last summer embraced practically the whole country, testified to this. They were conducted under the slogans of a restoration of democracy, immediate new parliamentary elections and the formation on the basis thereof of a truly civilian government. The very nature of the demands shows distinctly that in the eyes of broad strata of the population the farce of the regime's "democratic change of clothes" has remained a farce.

If anyone had any illusions on this score, they obviously vanished after the authorities resorted, as a response to the antigovernment demonstrations, to the repeatedly tested weapon--brutal repression. The result was dozens of persons killed, hundreds injured and over 10,000 arrested by mid-August. Among those thrown into the torture chambers were many leaders of opposition parties making up the Movement for the Restoration of Democracy alliance, including Benazir Bhutto--the highly popular leader of the Pakistan People's Party, which is the leading force of the alliance. Her return from exile this spring and the galvanization of the Pakistan People's Party which followed this undoubtedly played a significant part in the subsequent development of events. It was no accident that she was among the first to be arrested.

But the repression of the authorities is incapable of beating back the wave of the movement for the restoration of democracy in the country. Mass protests against the "civilian dictatorship" continued. Their dimensions and unusually persistent nature gave political observers grounds for comparing the situation in Pakistan with the situation which had taken shape on the eve of the fall of the F. Marcos regime in the Philippines. Will not the same fate befall Zia-ul-Haq is the question being asked in this connection.

As yet the opposing forces are too unequal. On the one hand, albeit a mass, nonetheless, an insufficiently organized movement, on the other, a regime relying on a strong army and powerful overseas support.

In the time that Zia-ul-Haq has been in power the army has become the most privileged status of society. Nor has the situation changed since the transition to "civilian" government. As before, the top brass exerts a decisive influence on the country's policy. It disposes of huge financial resources, a considerable part of which consists of generous military assistance from Washington. In the period 1982-1987 alone Islamabad will receive from the United States \$3.2 billion. In the course of his recent overseas visit M. Junejo, prime minister of Pakistan, discussed the question of the granting of a further \$4.2 billion in 1987-1993. Pakistan is second only to Israel among Asian states in the amount of American military assistance.

The reasons for such generosity on Washington's part in respect of Islamabad are well known. Pakistan is assigned the role of gendarme in this strategically important region and main instrument of pressure on countries pursuing a policy not to the liking of the United States, primarily India. Pakistani territory serves as the main springboard for the undeclared war against neighboring Afghanistan.

As is known, endeavoring to speed up the progress of the negotiations in Geneva and lend them new impetus the USSR leadership, following consultation with the government of Afghanistan, adopted the decision on the return from the Democratic Republic of Afghanistan (DRA) of part of the limited contingent of our forces. It expressed a readiness here in the event of the ultimate formulation of an agreement concerning a settlement of the situation in connection with Afghanistan to accelerate, following coordination with the Afghan leadership, the return of all Soviet forces from the DRA.

The development of events in connection with Nicaragua has taken a disquieting turn recently. Approval by both houses of Congress of the White House's request for the allocation of \$100 million for military assistance to the "contras" has introduced a dangerous new element to the situation in the region. It is not only, of course, a question of the amount allocated by the legislators. Several hundred million dollars have already reached the counterrevolutionaries via secret channels. Having won new appropriations for the Somoza bands, the U.S. Administration has taken another step forward in escalation of the policy of state terrorism against Nicaragua. Strictly speaking, this policy has now been virtually "legalized". It is now cynically acknowledged that the lion's share of the allocated resources will be used not for some "humane" purposes there but to acquire weapons and munitions for the American mercenaries attempting to overthrow the legitimate government and unleashing terror against the peaceful population. As Nicaraguan President D. Ortega declared, the United States has in fact declared war against the land of Sandino.

The Nicaraguan leadership is aware of the degree of danger looming over its country. It has called on the people to come together in the face of the threat of American aggression. At the same time, however, Managua is making persistent efforts aimed at a resumption of the interrupted dialogue with neighboring states. The Nicaraguan Government has once again confirmed its readiness to immediately return to the negotiating table within the framework of the Contadora process.

The policy of state terrorism being pursued by Washington in respect of a sovereign state is giving rise to the sharp condemnation of the vast majority of members of the world community. The decision of the International Court in the Hague, which demanded that the United States cease subversive activity against Nicaragua, and also the isolation in which Washington found itself in the UN Security Council at the time of discussion of the Nicaraguan Government's complaint concerning the U.S. Administration's escalation of aggression against this country testify to this.

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"Mirovaya ekonomika i mezhdunarodnyye otnosheniya", 1986

8850/9869

CSO: 1816/2

U.S ARTICLE ON STATUS OF THREE CAPITALIST CENTERS REVIEWED

Moscow MIROVAYA EKONOMIKA I MEZHDUNARODNYYE OTNOSHENIYA in Russian No 10, Oct 86 (signed to press 12 Sep 86) pp 97-102

[Article by Ya. Pevzner: "New Approaches to an Analysis of Capitalism's International Economic Relations"; analysis of article by American economist L. Thurow: "America, Europe and Japan". Thurow's article appeared in the British magazine THE ECONOMIST on 9 November 1981]

[Text] An essential feature of the contemporary foreign policy of countries of monopoly capitalism is the importunate declaration of unity in various spheres of international relations and a demonstration of cohesion in the face of the threat allegedly emanating from the socialist countries and also from the emergent countries with an independent foreign policy. The "top-level meetings" of the heads of state and government of seven countries (the United States, Japan, the FRG, Great Britain, France and Italy and, since 1976, Canada), meetings which per the original intention were mainly to have studied the state of affairs in the world economy and which have been held since 1975, have become the latest form of this demonstration.

The very need for such a demonstration is connected with the fact that under the conditions of the accelerated internationalization of the economy the contradictions and conflicts among the three main centers of imperialist rivalry are not diminishing but increasing. Great attention was paid to this problem by the CPSU Central Committee Political Report to the 27th party congress and the CPSU Program. "The final decades of the century," M.S. Gorbachev's report emphasized, "have been marked by new flareups of interimperialist contradictions and the appearance of new forms and directions thereof. Neither class proximity, concern for a unification of forces, military, economic or political integration nor the S&T revolution have removed this group of contradictions of capitalism."

In the plane of study of the new forms and directions of interimperialist rivalry an article by the American economist L. Thurow is of considerable interest. A few words about its author. Lester Thurow is a professor at MIT, a well-known American economist and a principal adviser to the Democratic Party on economic issues.*

* For L. Thurow's theoretical and political positions see MEMO No 5, 1986, p 118.

The article's main proposition is advanced on its first page: international trade is growing at a pace outstripping production and has already increased to such an extent that, given the present forms of international economic relations engendering various disproportions and warps, its continued growth is impossible since "the degree of economic integration which has been achieved has overtaken the world's collective readiness to control it." Attention has to be called to the fact that the scholar, whose position in the sense of defense of the bourgeois system is not in doubt, does not in expressing concern apropos the state of affairs in the modern capitalist industrial world employ such stereotypical propositions of bourgeois literature as the danger from outside and the threat on the part of the socialist states. The author's unease emanates only from an analysis of the contradictions in the economic relations of the three main centers of modern capitalism themselves, and he sees the way out on the path of a radical rebuilding and the "Keynesianization" of international economic relations, that is, their effective global regulation. "International Manager Needed"--such is the title of the concluding section.

We will return to this conclusion of the author's, but meanwhile let us turn our attention to the aspect which for readers of the London magazine THE ECONOMIST goes, it is assumed, without saying and for this reason is virtually ignored--the radical change which was occurred since the war in the conditions of international economic relations. The new phenomena to which the article is devoted could have emerged only after 30 years of persevering and in many respects successful attempts and measures to liberalize foreign economic relations. As a result of the constant efforts of such organizations as the GATT and the OECD and after lengthy interstate negotiations in the form of so-called rounds (the Dillon Round, Kennedy Round, Tokyo Round) and in other forms quantitative restrictions (reciprocal import quotas) in trade between the industrial and many other capitalist countries have been almost completely eliminated.

The average level of customs imposts of the developed capitalist countries had declined from 25-30 percent at the start of the 1950's to 5 percent at the end of the 1970's* and is currently at the lowest level throughout the period of the general crisis of the capitalist system. All forms of direct restrictions on the migration of capital were lifted or eased considerably in this time. Particular significance is attached to the changes which have occurred in the sphere of international payments. As a result of the 1971-1973 currency upheavals the capitalist countries abandoned not only gold backing for their currencies (this abandonment had occurred even earlier) but also their fixed correlations and switched to a "floating exchange rate" system and their free formation--despite the fact that no currency is exchangeable for gold. This means that in international circulation money has acquired the same features which monetary-credit documents have in internal circulation--their exchange rate depends on the correlation of supply and demand and the amount of the money supply.

* See MEMO No 12, 1984, p 130.

Yet as distinct from internal monetary circulation, which is regulated by national central banks, the sphere of currency relations lacks an international central body effectively influencing the supply of convertible national currencies entering international circulation. At the same time, however, currency exchange rates are not simply accounting figures but values appearing in the competitive struggle as independent forces. All other things being equal, a reduction in the exchange rate of a given country's currency increases the competitiveness of its goods and services on foreign markets and at the same time, however, has a spurring impact on imports. In respect of the migration of capital the situation is the direct opposite--a lowering of the exchange rate weakens the incentives to the export thereof, but "attracts" foreign capital more strongly. It stands to reason that the above-mentioned "other things" by no means remain equal and frequently operate in directions directly opposite to those which take shape on the basis of the dynamics of the currency exchange rates, and these exchange rates themselves depend to a greater extent than under the former system whereby they were established (prior to 1971) on the current state of affairs within each country, on the socioeconomic situation, on the scale of speculative transactions ("hot money"), which has increased sharply under "floating" conditions, and on the trends and specific actions in the sphere of state-monopoly regulation. It is very difficult to determine in such an interweave of different factors operating in different directions what is primary and what secondary, where lies cause and where effect and how one passes into the other. Difficult, but essential since without this ascertainment of actual processes and prospects is impossible.

The fact that the saturation of the article with material pertaining to events of recent times is organically and skillfully subordinated to disclosure of the proposition according to which the latest complications and intensifying conflicts are an inevitable consequence of the above-mentioned radical changes in the system of international economic relations and in this sense are by no means temporary phenomena calls attention to itself. The author's position on this question could be briefly formulated as follows: after the walls of the old state protectionism were as a result of the implementation of liberalization measures over three decades entirely or to a considerable extent broken down, specific features of the economy of individual countries concealed behind these walls were discovered and their strong and, particularly, weak aspects were manifested, and to an incomparably greater extent than in the past, what is more.

Current events occurring in each of the three centers at the start of the 1980's move to the forefront the following questions. How could it have happened that following the impressive growth of the economy based on the latest achievements of S&T progress and the simultaneous rapid increase in the proportion of exports in realization of the GNP the United States, the strongest economic power of the modern capitalist world, has changed from a creditor into a debtor country? What awaits it in this plane in the future? Why in West European countries, where state regulation has reached the highest level, is the increase in capital investments entailing a progressive growth of unemployment and what are the possible consequences of this phenomenon for the foreign economic relations of the EC, which accounts for the highest share

of world trade? Why is the success of Japanese foreign economic expansion expressed, apart from anything else, in the unprecedentedly high excess of exports over imports becoming its opposite and entailing not only a sharp disturbance of the balance of forces on the world market but also a threat to the continued development of the economy of Japan itself?

It cannot, of course, be considered that L. Thurow has a pioneering role in advancing the said questions--world economic literature has for a number of years now abounded in material pertaining to this set of problems. But it is not often that we encounter such a highly competent study containing an analysis of current facts against the background of stable and contradictory trends. Regardless of the author's interpretation of the problems which have been raised, it seems to us that the conceptual essence of his findings is as follows: the revision of isolationist-protectionist measures pertaining directly to the sphere of foreign economic relations (that is, the above-mentioned lifting of quotas, reduction in customs dues and so forth) did not in itself and could not have entailed a weakening of the entire system of state regulation. And this means that there remained in the hands of the state levers which it can pull, without abandoning the liberalist measures set in motion in the preceding 3 decades, for the purpose of practical implementation of a policy of protectionism. Are these levers strong enough to substitute and compensate for the previous ones? We have already seen that L. Thurow answers this question in the negative. But in the process of the search for this answer a number of highly meaningful and nontrivial opinions is advanced.

What has happened in the United States? Here, given the extremely low level of domestic personal savings relative to Japan and the West European countries (and also Canada), in the fight to overcome "stagflation" (that is, in the struggle against the inflationary growth of prices which occurred even at the time of crises or sluggish business conditions, which were in the past accompanied by a lowering of prices) the Reagan administration, realizing an element of "supply-side economics," consented to a sharp increase in bank interest bringing about a tremendous influx of foreign capital into the United States. In 1985 the value of foreign holdings in the United States amounted to the record sum of \$1.06 trillion, exceeding for the first time in many years the value of American holdings overseas. There is no doubt that a principal cause of this situation is the tremendous increase in spending on the arms race--an issue which L. Thurow completely circumvents in his article. In other words, the wealthiest country of the capitalist world has been forced in order to overcome domestic economic disorders to crawl deeply into foreign debt. How radical the change in the credit positions of the United States and Japan has been may be judged from the following figures: in 1981 the amount of Japan's foreign assets constituted \$10.9 billion, but in 1985, \$129.8 billion. On the other hand, the United States' assets, which had in 1982 risen to \$150 billion, have been replaced by net indebtedness (\$60 billion at the end of 1985).* As we can see, the CPSU Program's proposition concerning the colossal scale of budget deficits and national debt applies to the richest country of the capitalist world also.

* JAPAN ECONOMIC JOURNAL, 7 June 1986, pp 1, 9.

Imports of capital into the United States have helped maintain comparatively high business conditions within the country, but have had virtually no positive impact on American exports. This has been caused primarily by the comparatively low competitiveness of American commodities connected with the fact that in the American economy labor productivity is growing more slowly than in other industrial countries. In terms of labor productivity the West European countries and Japan have already not only approached the American level but have even surpassed it in certain sectors.

This unfavorable correlation in respect of a basic economic indicator is intensified by the situation which has come about in the currency sphere. The high interest paid by American banks caused a sharp rise in the exchange rate of the dollar (particularly in relation to the yen), which contributed to the increase in imports into the United States of foreign (particularly Japanese) commodities and the emergence of a large deficit in the American balance of foreign trade. In other words, the temporary pluses obtained by way of the attraction of foreign capital have proven to be significantly devalued as a consequence of the foreign trade deficit. The United States, which had been creating jobs at home with the aid of the foreign holdings, was itself in 1984 alone forced to "give" Japan, West Europe and other countries approximately 3 million jobs. Such was for the United States the price of the liberalization which had been pursued earlier--granted that for foreign policy reasons (connected mainly with imperialist bloc-forming against world socialism) it has not been possible to halt this process and turn it back and restore the former protectionism.

But in respect of the attraction of foreign capital the possibilities are by no means unlimited. "There will come a time," L. Thurow writes, "when the rest of the world will decide that it has allocated the United States quite sufficient in the way of loans, just as the United States decided that it had allocated quite sufficient in loans to Mexico: as a result the extension of credit will be suspended." "...When this happens," L. Thurow continues, "the exchange rate of the dollar will fall." In the short time that has elapsed since publication of the article reality has corroborated the American scholar's conclusion.

Turning to the West European countries, L. Thurow fixes his attention primarily on the dynamics of employment and unemployment. In the process of the long and persistent struggle for their interests and thanks to the strong positions occupied in domestic political life by forces of the left, the working people of West European countries have managed to achieve certain successes in the struggle for increased wages and improved conditions of work, education and insurance and hiring and firing. L. Thurow shows that such conditions in West Europe are for wage workers more propitious than in the United States. But European capital "neutralizes" for itself the relatively higher cost of manpower by the fact that investments are made mainly in labor-saving technology and that the overall amount thereof is insufficient for an increase in employment. Whence, Thurow believes, a revival of protectionism to create in West European countries stronger stimuli for an expansion of domestic production and the hiring of manpower is entirely probable.

The author sees as Japan's most vulnerable point its huge surplus foreign trade balance. The origin of this phenomenon has been well studied. On the one hand the customary high competitiveness of Japanese commodities has in recent years been underpinned by the low exchange rate of the yen. On the other, the progress of material-saving technology has brought with it a relative reduction in the mass of imported raw material and fuel; in addition, there has simultaneously been a decline in the price of imported oil. In other words, in recent years the development of the Japanese economy has been accompanied by the intensified action of its "anti-import mechanism".

In the worldwide plane the accumulation of dollar currency outside of the United States (specifically and especially in Japan) has created the conditions for a turnabout from a rise in the exchange rate of the dollar to a decline therein. No one could have known ahead of time when such a turnabout would begin. It was only possible to have foreseen the necessity for it. It began in September 1985 and was manifested particularly strongly in relation to the yen, the rate of which rose from 260 to the dollar at the start of 1985 to 153 on 31 July 1986. We will not examine here the consequences of this process, which developed after the publication of L. Thurow's article. We would note merely that in 1985-1986 Japanese exports have withstood the blow which the rise in the price of the yen has been to them. This does not detract in the least, however, from the warranted nature of the following conclusion of L. Thurow: "...If," he writes, "the yen's exchange rate in relation to the dollar is tossed rapidly every few years between the marks of 277 and 177, no side will know where precisely it is more efficient to locate production. As a result no one will want to build major enterprises either in Japan or the United States."

It is still, consequently, a question of the same thing: the present "liberalized" system of international economic relations is being accompanied by manifestations of spontaneity with which the further internationalization of the modern economy based on the highest concentration and centralization of production and capital is entering into new most serious contradictions and entailing for capitalism the severest consequences. The justified nature of the CPSU Program proposition according to which "the very means which capitalism is setting in motion to strengthen its positions will inevitably lead to an exacerbation of all its deep-lying contradictions" is being manifested particularly strongly in the sphere of foreign economic relations.

This is also being reflected in the intensification of the polemic between bourgeois economists, between supporters of the extension to world-economic relations of Keynesian methods of their regulation on the one hand and the champions of so-called neoconservative concepts on the other. L. Thurow's present article is evidence of this.

Disquiet apropos the state of affairs taking shape in the world economy is by no means confined to academic circles. The "Economic Declaration" adopted at the May 1986 Tokyo meeting of the heads of state and government of the "big seven" notes the following: "The world economy is still faced with serious difficulties, which could undermine the effect of its underlying growth factors.

These difficulties include the high level of unemployment, the enormous domestic and foreign imbalances, uncertainty in respect of the prospects of currency exchange rates, the constant pressure of protectionism.... If the huge imbalances and other deformations are unduly prolonged, the threat to economic growth and the multilateral open trading system will grow."

It should be noted that the subtitle of L. Thurow's article--"Time To Dismantle the World Economy"--does not entirely correspond to its content. It is a question not so much of dismantling as of the possibilities and measures of combating the threat of new protectionism. Confirmation of this was the meeting in September 1985 of finance ministers of the "group of five" (United States, Britain, FRG, France and Japan), where measures pertaining to international currency regulation which were to have contributed to a lowering of the exchange rate of the dollar and the United States' foreign trade deficit were outlined and subsequently implemented.

Commenting on the results of the Tokyo meeting of the "big seven," the Japanese weekly JAPAN ECONOMIC JOURNAL observed that it had studied the possibilities of international pressure on such national economic indicators as rate of growth of GNP, inflation, interest rates, level of unemployment, budget deficits and balances of payments, the dynamics of money supply and the norms of currency reserves and exchange rates. At this same meeting it was decided to enlarge the composition of the group of finance ministers, introducing to it representatives of Italy and Canada, and entrust to the group the functions of most important auxiliary body of the "big seven". Is not such a measure a step toward the creation of the "international manager" in the sphere of foreign economic relations (particularly in the sphere of currency relations) about which L. Thurow writes in his article?

Time will provide the answer to this question. But one thing is clear even now: profound antagonisms and contradictions continue in the international relations of the capitalist world and are in many respects intensifying, but there has been an appreciable change in the nature of these contradictions and the means of overcoming them. An analysis thereof cannot be approached with the yardsticks and cliches born in the first half of the present century. "Modern capitalism is largely different from what it was at the start and even in the middle of the 20th century"--this proposition of the CPSU Program applies in full to the nature of the effect of the law of capitalism's uneven economic and political development and the sphere of its foreign economic relations.

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"Mirovaya ekonomika i mezhdunarodnyye otnosheniya", 1986

8850/9869
CSO: 1816/2

BOOK ON JAPANESE SYSTEM OF WORKER MANAGEMENT PARTICIPATION

Moscow MIROVAYA EKONOMIKA I MEZHDUNARODNYYE OTNOSHENIYA in Russian No 10, Oct 86 (signed to press 12 Sep 86) pp 137-138

[I. Pirogova review: "On the Paths of Social Maneuvering"]

[Text] An all-around socioeconomic analysis of the system of Japanese workers' "participation" in industrial management cannot fail to attract readers' attention, the more so in that the work in question* is the first monographic investigation in Soviet Japan studies devoted to this subject.

The current stage of the development of state-monopoly capitalism is characterized by a further exacerbation of its economic and social contradictions. The growing consciousness of the developed capitalist countries' working class is forcing employers into increasingly subtle social maneuvering. It is in this context, apparently, that we need to examine the fact of the enlistment of the workers in "participation" in the management of capitalist production.

As of the mid-1970's Japan entered a new stage of its economic development characterized by a reduced economic growth rate, a transition from energy-, material- and labor-intensive sectors to high-science and labor-saving technology, the intensive method of development of the economy and profound changes in the demographic structure. All this has had a strong deforming impact on the traditional Japanese system of labor relations, which had been a most important factor of the accelerated economic growth of 1955-1973. The author studies in detail the genesis and development of this system, reveals the reasons for its vitality and analyzes the paths of modernization in the 1970's-1980's. Considering the need to "renovate" the ramshackle facade of paternalism, he observes, the monopolies are attaching ever increasing importance to such a method of exploitation of wage workers and the "harmonization" of labor relations as the workers' "participation" in the management of production (p 115).

* A.B. Orfenov, "Yaponiya: 'uchastiye' trudyashchikhsya v upravlenii proizvodstvom. Mify i deystvitel'nost'" [Japan: "Worker Participation in the Management of Production. Myths and Reality"], Moscow, Glavnaya redaktsiya vostochnoy literatury izdatelstva "Nauka", 1985, p 171.

The book emphasizes the intrinsic contradictoriness and paradoxical nature even of the phenomenon in question. And this is understandable: in capitalist society the interests of the proletariat and the bourgeoisie are diametrically opposite. At the same time the author believes that an assessment of this phenomenon must be based on an analysis of the specific correlation of class forces, level of political consciousness of the proletariat and degree of its organization. He concludes that the "basic criterion of the degree of development of 'participation' is not its prevalence but the effectiveness of the workers' impact on production management in their own interests" (p 13).

The bourgeoisie actively endeavors to switch the process into a channel acceptable to itself and use it in its own class interests. Leadership in the movement for "participation in management" in Japan has been seized and is being firmly retained by the country's monopoly capital. All the biggest business "think tanks" support this idea in this form or the other and recommend its introduction in day-to-day management practice. The monograph adduces an abundance of critically interpreted material concerning the main theoretical research and practical recommendations formulated in the 1970's by monopoly capital's four most important research centers: the Federation of Employers Associations, Society of Economic Policy Confederates, National Socioeconomic Council and Japanese Productivity Center.

Despite the declared differences in approaches to the problem, the central idea of the reports of these organizations is a common one: "the ruling class by no means intends forgoing its managerial prerogatives and accords workers the right to real 'participation' in decision-making only where this will lead to a growth of profits and has no impact on the processes of capitalist disposal of the means of production, that is, at the level of the workplace, production bay and shop" (p 54).

The book observes that "participation" at the level of the workplace and bay, as also the practice of the joint consultations of labor and capital, has been introduced at the vast majority of Japanese enterprises (p 56). Improvement of the system of joint consultations and expansion of the workers' rights in regulation of their labor activity at the local level are supported by the Japanese Government.

Having analyzed the prevalence, mechanism and results of implementation of the "participation" system, the author concludes that this system by no means attests a real expansion of the workers' rights in the sphere of production management and is aimed as a whole against the interests of the proletariat. Specifically, with its help the bourgeoisie is attempting to weaken the assertiveness of the unions. At the same time it is quite effective for it creates the illusion of involvement in management affairs and thereby contributes to a lowering of the level of class struggle.

The political parties of the working class and Japan's progressive unions regard "participation" as a class-collaboration institution incapable of in any way improving the position of the broad working masses. They are critical toward the programs and proposals of the social reformists recognizing the existence of common goals for the capitalists and workers. True, the Japanese Communist Party, Japanese Socialist Party and Sohyo reject merely the forms of "participation" "aimed at winding down the class struggle and representing an offensive against the workers' democratic gains" (p 78).

The subject of the investigation is examined by the author in the context of the system of labor relations which has taken shape in the country. However, certain propositions are in need of amplification. The assertion that it was the traditional Japanese system of labor relations which assumed after WWII the fullest and most consummate form (p 97) is too categorical, we believe.

The author makes too frequent and extensive use of the job-for-life concept; in present-day Japan this form of relationship between labor and capital encompasses only a negligible part of the work force. For an analysis of the numbers and structure of the working class it is more correct to employ the term "permanently employed" used in Japanese statistics.

These observations do not detract from the significance of the work. In making good a lacuna in Soviet Japan studies A. Orfenov's monograph will, we hope, attract the attention of both specialists and all who are interested in problems of contemporary Japan.

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"Mirovaya ekonomika i mezhdunarodnyye otnosheniya", 1986

8850/9869
CSO: 1816/2

BRITISH BOOK ON THIRD WORLD'S SOCIAL DEVELOPMENT REVIEWED

Moscow MIROVAYA EKONOMIKA I MEZHDUNARODNYYE OTNOSHENIYA in Russian No 10, Oct 86 (signed to press 12 Sep 86) pp 139-140

[N. Pankova review: "Bourgeois Analysis of the Development of the Emergent Countries"]

[Text] The book in question "Social Development in the Third World. Level of Living Indicators and Social Planning,"* which was written by a group of authors from a number of countries (Netherlands, United States, Finland, India and others) under the aegis of the Institute of Social Studies in the Hague, is in many respects typical. Despite the disagreements on individual questions, the authors are of the single opinion that social aspects of development should be a subject of analysis to this extent or the other (pp 4-5). This is indicated, incidentally, by the book's very title also. After all, for many years the majority of bourgeois scholars studying problems of the economic backwardness of the developing countries confined themselves to a manipulation of various economic growth models, completely ignoring the need for any changes in the social sphere. It should be mentioned for fairness' sake that back in the 1960's individual voices were being heard in support of an analysis of social aspects of development, but it is only as of the latter half of the 1970's and, particularly, at the present time that the urgency of such an approach has been obvious for many people. The experience of a whole number of emergent countries has shown graphically that the technical-economic approach to development problems is very limited and that the corresponding models of economic development are divorced from the actual situation in these countries.

The book is indicative in another respect also. Faced with the need for involvement in the analysis of social processes, bourgeois economic science discovered that it lacks adequate research instruments. For this reason a considerable part of the work is devoted to a discussion of such concepts as "quality of life" and "actual and normative living standard," "objective" and "subjective" indicators of satisfaction with the living standard and such. In this respect the authors have to start virtually from scratch.

* Edited by J.G.M. Hilhorst and M. Klatter, London--Sydney--Dover, New Hampshire, Croom Helm, 1985, p 233.

The central problem for them is correlation of the economic and social "principles" in general and with reference to the developing countries in particular. The majority, albeit not all, recognizes the existence of an interconnection between these "principles". Thus R. Aptorp (Netherlands) in Chapter 3 and B. (Koskiakho) (Finland) in Chapter 10 emphasize that there is practically nothing in society which is purely economic or purely social. N. Baster (Netherlands) believes that this work expresses the urgent need "to go beyond economic measurements of resources and the manufacture of commodities and realization of services in order to focus more directly on the changes in social well-being and quality of life. Such indicators are necessary to reflect the situation and directions of the changes, analyze the interdependence between social well-being and other aspects of development, express social goals quantitatively and channel progress in the direction of these goals" (p 29). The authors do not in practice go beyond general acknowledgments of the interconnection of the economy and social processes, and on this shaky theoretical foundation they attempt to formulate indicators of social and economic development and also recommendations pertaining to the social planning of the developing countries.

We would note that the bourgeois specialists are breaking in an open door: Marxist-Leninist teaching (on the social-economic formation, manpower as a commodity under conditions of capitalism, the living standard as a socioeconomic category) long since formulated the scientific principles of an analysis of social problems. What is noteworthy is the fact that they have been compelled to acknowledge, albeit in oblique form, the role of the working class as an influential force which poses these problems. The monograph says, in particular: "The problems of social justice, employment, public health care and others were not a part of government's national policy until the workers were effectively organized" (p 7).

The work assigns much space to recommendations pertaining to social planning in the developing countries. All these recommendations essentially amount to two directions. One may conditionally be called econometric; it is this which predominates in the majority of authors of the book. (Kh. Korria) (United States) proposes a mathematical model of the optimum distribution of resources for social needs (Chapter 6); B. (Koskiakho), a system of social indicators (Chapter 10); J. Heemst (Netherlands), an information matrix characterizing certain social processes (Chapter 5); R. Aptorp, a system of indicators of the population's health and diet (Chapter 3); and so forth. It is well known that mathematics at the present time is becoming an instrument of research not only in the natural but also social sciences. However, the use of mathematical methods should obviously be preceded by an in-depth qualitative analysis of social processes, but it is precisely this which is lacking in the publication in question.

It is interesting that criticism of the "econometric" approach to an analysis of the developing countries' problems is contained in the work itself. As N.V. (Sovani) (India) writes, social planning must take into consideration the singularities of the social structures in the developed and developing countries. Western scholars, however, are proposing approaches and methods which are, possibly, suitable for the first, but are of no use to the second.

"At the present time this type of social planning," the Indian scholar writes, "is most unsuitable for underdeveloped countries in the grip of poverty: their underdevelopment lies not only in the economy but also in the social, political, organizational and value spheres and so forth. Underdevelopment is multifactoral, and it is necessary to tackle it more comprehensively than is the case in the theory and practice of development planning now" (pp 138-139). He also points to the impermissibility of the detachment of social development from economic development inasmuch as the latter ultimately "is the sole source of a rise in the well-being of the poor" (ibid.).

The other direction of the recommendations is presented by (K. Nuvenkhuze) (Netherlands), who has essentially expounded a new interpretation of the well-known interdependence concept. It is based on an interpretation of certain global phenomena: the dependence of the developed countries on the raw material resources of the developing countries, the exhaustibility and limited nature of the Earth's natural resources and the fragility of man's natural environment. The said factors are objective, and they have, naturally, to be reckoned with. However, we cannot agree with the author, who, denying neocolonialism and arbitrarily equating the capitalist and developing countries, virtually suggests that the latter slow down economic development in connection with the lack of resources (p 171).

The truly constructive alternative is defined by the proposal of the Soviet Union, which has put forward an all-embracing program of the complete elimination of nuclear weapons in organic interconnection with the solution of increasingly acute global problems. Our alternative--disarmament for development--corresponds to the vital interests of the economic and social progress of all mankind, particularly Asian, African and Latin American states.

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BOOK REVIEW: OIL'S INFLUENCE ON IRAN'S HISTORY, DEVELOPMENT

Moscow MIROVAYA EKONOMIKA I MEZHDUNARODNYYE OTNOSHENIYA in Russian No 10, Oct 86 (signed to press 12 Sep 86) pp 143-144

[Ye. Orlov review: "From Reza Khan to Khomeini"]

[Text] The work in question* is a comprehensive study of Iran's sociopolitical development in direct connection with the oil problem. This connection is traced against the background of Iranian history from the start of the 20th century through our day.

Study of the social-political history of the country from the viewpoint of the oil interests of both Iranian ruling circles and the imperialist powers, primarily Britain and subsequently the United States, is perfectly justified. Oil has as of the start of the 20th century been of particular significance in the imperialist powers' foreign policy and the alignment of political forces in the world. It was not fortuitous that back at the end of WWI Lord Curzon declared: "The allies swam to victory on waves of oil." The British foreign secretary should have added that this was chiefly Iranian oil. As is known, the Anglo-Persian Oil Company (APOC) provided fuel for the entire British Navy (and air force) and satisfied nine-tenths of all of Great Britain's total oil requirements. According to the information of W. Churchill quoted by the author of the monograph (p 23), the British Admiralty, as a participant in the APOC, saved in the period 1914-1923 the huge amount of 40 million pounds sterling, while the Iranian Government in this same period received only 3.5 million pounds sterling.

The work rightly emphasizes that "the oil question has focused, as it were, many complex problems and contradictory trends of Iran's social-political and economic development, particularly in the last 30-40 years" (p 3). The political-economic role in the country and beyond of the APOC, which was subsequently renamed the Anglo-Iranian Oil Company (AIOC), grew particularly after the British Admiralty and thereby the government of Great Britain, which in the 1920's-1930's interfered in Iran's internal affairs in every possible way, had gained possession, in 1914, of the controlling block of shares.

* S.M. Aliyev, "Neft i obshchestvenno-politicheskoye razvitiye Irana v XX veke" [Oil and Iran's Social-Political Development in the 20th Century], Moscow, Glavnaya redaktsiya vostochnoy literatury izdatelstva "Nauka", 1985, p 304.

In this connection the book makes particular mention of the following. Until recently Western authors have denied the British authorities' direct participation in the preparation of the 21 February 1921 coup, as a result of which Col Reza Khan, the founder of the Pahlavi dynasty, which ruled in Iran until the 1978-1979 revolution, came to power. However, documents from the private archives of Lord Curzon, extracts from which were published at the start of the 1970's, and international literature contain direct indications of the direct participation of the government of Great Britain in the preparation of the coup. This is indicated in memoranda of the British General Ironside, who it was who had appointed Reza Khan (father of the last shah of Iran, Mohammad Reza Pahlavi) commander of the military unit appointed to carry out the coup (pp 42-43).

True, the 13-volume "British Foreign Policy Documents" published in Britain (1963) contain no information on the direct connection of British officials with the leaders of the coup. On these grounds debate once developed on this question which was reflected in the journal NARODY AZII I AFRIKI.

The author of the work in question completes it, as it were: taking as a basis the new material which appeared on the eve of the 1978-1979 Iranian revolution, he concludes that the 1921 coup was planned by the British as a political action for the purpose of promoting the consolidation of forces of the right, suppressing the democratic movement in the country and creating the conditions for the realization of its plans in respect of Iran (pp 43-45).

Having gone on to examine the period connected with the 1949-1953 movement and the nationalization of the AIOC, which exerted a salutary influence on the intensification of the anti-imperialist struggle in the Near and Middle East, S. Aliyev dwells in detail on Iran's present-day problems. The scholar rightly, in our view, believes that they go back to the coup d'etat in August 1953 (the overthrow of the Mossadeq government), a key part in the organization of which belonged to Washington. This coup, the book says, led to a fundamental change in the social-political situation in Iran (p 136). Since that time there was not only a revival of the AIOC there but the American "big five" and a number of other oil trusts of the West gained access to Iranian oil on equal terms for the first time (p 153). With the strengthening of the positions of the United States in the country the power of the shah and the ruling elite increased. Relying on the increased oil revenue and the utmost support of the United States, the shah's regime implemented a number of reforms and also increased its foreign policy assertiveness in the Persian Gulf zone.

Concerning the shah's reforms, the author justifiably rejects the opinion of certain orientalists that they may be regarded as a "revolution from above". Although these reforms, in his opinion, were aimed at undermining the semifeudal relations in the countryside and the implementation of certain democratic measures in the city, their "main purpose was consolidation of the totalitarian-bureaucratic features of the regime and perpetuation of the political system, in which the leading position of the shah's court was strengthened even more" (p 171).

The book analyzes the impact of the multiple increase in Iran's oil revenues on the domestic political situation in the country and on its foreign policy. A detail of considerable importance: while portraying himself as the principal instigator of the increase in the price of oil (which was, evidently, to have testified to Iran's pursuit of a policy independent of the imperialist powers), Shah Mohammad Reza Pahlavi in actual fact had a prior understanding on this with the U.S. Administration (p 206).

The scholar pays particular attention to an analysis of the collapse of the "White Revolution" and the shah's ambitious plans for the leading role in the Persian Gulf zone and the northern Indian Ocean. The military-political doctrine of the shah's regime, which had arisen in the oil boom and whose most important component was the idea of the need for a buildup of military preparations, which was wholly supported by the United States, so that Iran, according to the former monarch, would in the 1980's be the world's fifth-sixth power in terms of level of military power (p 227), contributed to its downfall to a considerable extent.

The final chapter of the work is devoted to an analysis of the 1978-1979 antimonarchical and anti-imperialist revolution in Iran and the formation of the present regime. It would seem that this is the weakest section of the work, which completely fails to reflect the discussion which took place in our science among orientalist concerning the nature of the Iranian revolution. The author is also guilty here of careless wording when it is a question of the present theocratic regime and sometimes glosses over its contradictory features.

However, these observations are, nonetheless, of an exceptional nature. As a whole S. Aliyev's monograph is a serious work, which, we hope, will evoke the interest of both specialists and a broad readership.

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NEW SOVIET DEMOGRAPHIC ENCYCLOPEDIA-DICTIONARY PUBLISHED

Moscow MIROVAYA EKONOMIKA I MEZHDUNARODNYYE OTNOSHENIYA in Russian No 10,
Oct 86 (signed to press 12 Sep 86) pp 145-146

[O. Oskolkova review: "Substantial Work of Soviet Scholars"]

[Text] For several years a large group of authors led by Prof.D.I. Valentey, doctor of economic sciences, has been working on the preparation of a publication whose appearance may without exaggeration be called a landmark in the history of Soviet demography.

In the postwar period interest in problems of population in circles of the scientific community and among statesmen and politicians of all countries has grown extraordinarily. They have truly assumed a global nature and global significance. The fact that the development of population is closely connected with the entire set of socioeconomic problems and the progress of mankind has gained general recognition.

A number of reference publications pertaining to demography has been published abroad in past decades. They include several explanatory demographic dictionaries (multilingual included), which were intended mainly for translators and did not contain the sum total of knowledge on population.

An attempt to make good this lacuna was made in the United States, where in 1982 the "International Encyclopedia of Population" appeared. It contains many interesting articles on the socioeconomic problems of population and adduces a demographic description of some of the world's biggest countries. However, as a whole its pretentious title fails to correspond to its content. The encyclopedia essentially represents a bulky two-volume digest of 111 articles. This publication is not of an essential all-embracing nature. The majority of the articles here are in terms of structure and content similar to journal reviews. Methodologically the American publication provides a motley picture of opinions, concepts and theories. The reference information is not systematized and is sometimes incidental. The statistical data even pertaining to the United States (and they are predominant in many articles) are outdated in a number of cases.

Against the general background the "Demographic Encyclopedia-Dictionary,"* which was produced by the Moscow State University Center for the Study of Population in collaboration with the "Sovetskaya Entsiklopediya" Scientific-

* "Demograficheskiy entsiklopedicheskiy slovar," Moscow, izdatelstvo "Sovetskaya entsiklopediya", 1985, p 608.

Editorial Council, appears far more substantial, systematized and all-embracing. It is a publication which is truly encyclopedic in form and content duly reflecting the level of scientific knowledge of population attained by Soviet demography. Together with the purely demographic terms, concepts and methods of research there is vast reference material here on political-economic, social, historical-social anthropological and medical questions directly related to population.

A big place in the dictionary is devoted to a description of the population of foreign states. The structure of these articles is uniform. They contain information on the history of the formation of the present-day population of the country, the national composition and distribution of individual national groups by territory and religious allegiance and current registration and censuses of the population. The dynamics of the latter's growth over a lengthy period, birthrate and mortality indicators and its age-sex structure are adduced. The main causes of death and the dimensions of infant mortality, average life expectancy and marriage are indicated. A brief description of particular features of settlement and internal and external migration is given. The articles on foreign countries also contain basic information of a socioeconomic nature: data on the structure of the economically active population, employment, the system of education and literacy and the health care and social security system. The directions of states' demographic policy are briefly indicated. To conclude the per-country survey the UN forecast concerning the numbers of the population of each country by the year 2000 is adduced (in some instances national forecasts are provided also).

The articles containing a concise description and critique of bourgeois and reformist population theories would seem very valuable for international affairs specialists. The dictionary provides a vast amount of information on the best-known national and foreign demographers, sociologists and statisticians and their views and main works. The descriptions of international, regional and nongovernmental organizations whose sphere of activity includes population issues and also the world's most important demographic research centers will be of undoubted benefit to readers.

A positive evaluation should be made of the wealth of material on foreign countries contained in the special-problem articles. We would mention among them those such as "Marriage," "Reproduction of the Population," "Demographic Policy," "The Green Revolution," "Migration of the Population," "Population of the World," "Family Planning," "Divorce," "Religion," "Birthrate," "Mortality," "Family Composition of the Population," "Urbanization" and others.

The work on the dictionary, as on any such publication, demanded a particularly careful selection of material, from the compilation of the glossary and the structure and content of the articles through the appendix. We believe that the authors and editors of the work had the greatest difficulties here, and it is here, in our opinion, that the biggest mistakes are concentrated.

Any reader will call attention to the excessive "space" occupied in the dictionary by the age-sex pyramids of the population. They frequently simply dominate the text. No one will dispute the fact that such diagrams contain a great deal of information, being a fine graphic illustration of population distribution per sex and age, influence on the age composition of birthrate and

mortality processes over a lengthy period of time and the age composition on growth prospects and so forth. At the same time, in our view, there was no need to "erect" these pyramids for states with a population of several tens of thousands. It would have been more rational to have confined oneself here to countries with over half a million or, perhaps, 1 million persons even. As a result the publication would have been "freed" of dozens of extensive diagrams, which would not have detracted from its value in the least. With the "space" thus saved it would have been possible to have lengthened certain articles and enriched them with numerical and other data, pertaining to foreign countries included.

Specifically, in the demographic description of certain large states questions of demographic policy have not been sufficiently illustrated everywhere. Many authors put the emphasis mainly on information on the practice of abortion and the use of contraceptives. This strikes one particularly in the article on France, where a policy of encouraging child bearing is of many years' standing and manifestly merits greater attention. The analogous section in the article on Japan also seems insufficiently capacious. The data on demographic policy in the FRG are outdated and do not always orient the reader correctly.

We cannot agree with the adduced chronological framework of the "baby boom" (in the text: end of the 1940's-start of the 1950's) (p 31). In reality its peak was in the latter half of the 1950's. This article should altogether have been presented in a more comprehensive form inasmuch as the "baby boom" period was an important stage in the demographic development of Western countries.

Further, there is barely any point categorically asserting that depopulation in the Western countries is fraught with "the most negative long-term trends," as the article "Global Population Problems" does. First, the decrease in population is not that great. And, second, a certain reduction in the numbers of the population in the age of robots and computers will not in itself, perhaps, entail anything catastrophic. In general, the alarm in connection with the demographic crisis (the "Demographic Crisis" article) as a result of the fall of the birthrate level below that of simple reproduction would seem premature. Far greater concern as of today is being caused by the continuing growth of the population of the developing countries with all the social consequences ensuing therefrom. In any event, all these questions are debatable.

An article on the United Nations' demographic forecasts was essential. Its absence is a serious omission.

In our opinion, the content of such articles as "The Brain Drain" and "Contraception" should have been expanded, information on foreign countries should have been given in the articles "Social Security" and "Social Insurance" and the dictionary should have been supplemented with the terms "Population" ["Populyatsiya"] and "Populationism" ["Populyatsionizm"] (instead of the term "Population Studies") and an article on the World Bank, which, as is known, deals with demographic problems. Material on demographic transition takes up

too much space in the article "Demographic Explosion". It is interesting and necessary, but it would have been more logical to have transferred it to an article of the corresponding title.

The book also has annoying repetitions. For example, the extensive table on the national composition of the USSR population is adduced twice: in the article "USSR" and in the appendix.

As a whole, the appearance of the work in question should be welcomed in every way. It fills a big gap in national science and testifies to the great deal of diverse work performed by Soviet specialists and the maturity of Soviet demography. The dictionary will undoubtedly enjoy a highly positive response among the broadest scientific community and practical workers.

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